FBIS DAILY REPORT

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CONTADORA TO SEEK U.S.-NICARAGUAN CONCILIATION

PA101438 Panama City CRITICA in Spanish 10 May 85 p 48

[Report by Carlos J. Nunez]

[Text] The four Contadora Group governments will make a joint presentation at the UN Security Council in an effort to find a conciliatory line between the United States and Nicaragua, Panamanian Foreign Minister Dr Jorge Abadia Arias has reported to CRITICA. Regarding the confrontation between the United States and Nicaragua, Abadia Arias said: The instructions that President Dr Nicolas Ardito Barletta has given me as head of Panamanian diplomacy is to coordinate with the Contadora Group governments in order to seek new paths to avoid a conflagration between two hemispheric countries.

ECLA MEETS ON LATIN AMERICAN ECONOMIC CRISIS

FL101525 Bridgetown CANA in English 1759 GMT 8 May 85

[Text] Port-of-Spain, Trinidad, May 8, CANA -- Nearly 100 technocrats from Latin America, North America, Europe, and Israel have just completed five days of talks on the economic crisis in the region in the Chilean capital, Santiago. The meeting was convened by the United Nations Economic Commission for Latin America (ECLA) and an account of the conference issued here by the UN Information Centre said apeakers called for political dialogue on the crisis facing the area.

Former ECLA Executive Secretary Dr Enrique V. Iglesias told conferees that the challenge ahead for Latin America was economic, social, and political modernization of the region. (This modernization) involved three elements: An in-depth understanding of the changes which are taking place in the world, a re-assessment of the effort being made within the region, and a return to integration schemes using new approaches.

Dr Iglesias said now was the time to return to ECLA's traditional objectives of growth in combination with equity, autonomy, and integration, together with a great deal of creativity in the realm of ideas.

The current executive secretary of ECLA, Norberto Gonzalez, told the conference that continued adjustment and stabilisation will be required for the region to gradually overcome the consequences of the economic crisis. Additionally, medium and long term economic strategies must pay more attention to the questions of unemployment and poverty, he added. He called for a careful appraisal of the implications to the region of the important changes taking place in technology and production in the developed countries.

United Nations Under Secretary General Goran Ohlin said there is not only a crisis in the North and South, but there is also a crisis in development thinking. Ohlin noted there was a lack of consensus now about both the reasons for the economic crisis and the path towards a solution. The UN, he added, must help in the search for some common ground to ensure there is better cooperation among the countries of the world.

The conclusions of the meeting go forward to a governmental session of ECLA in Argentina in August this year.

FOREIGN MINISTER SCORES NEW FALKLANDS AIRPORT

PY122330 Buenos Aires TELAM in Spanish 2244 GMT 12 May 85

[Text] Rome, 12 May (TELAM-ANSA) -- Commenting on the dedication of a new airfield in the capital of the Malvinas Islands, Argentine Foreign Minister Dante Caputo tonight accused Great Britain of committing an aggression against his country, against Latin America, and against peace. Caputo said: Since this problem transcends our own national interests and acquires regional and world significance, and since we are aware of the seriousness of the British position, the Argentine Government will denounce what has happened to the respective organizations.

He emphasized the need to adequately assess the significance of the British decision. The problem involves not only the restoration of Argentine sovereignty over the islands but also affects regional security, because the building of a new airfield has given strategical interest to the area. Caputo added that the British Government should be held fully responsible for having converted the South Atlantic into an area of strategic interest which, like a magnet, attracts the superpowers.

Communique Issued

PY130035 Buenos Aires TELAM in Spanish 0014 GMT 13 May 85

[Excerpt] Buenos Aires, 12 May (TELAM) -- In the face of the dedication by Great Britain of an airfield in the Malvinas Islands, the Argentine Foreign Ministry has stated that it will adopt the appropriate international actions. The following is the text of a communique released tonight by the Foreign Ministry:

The Government of the Republic of Argentina hereby denounces the Government of the United Kingdom of Great Britain for today culminating the first stage of its military fortification of the Malvinas Islands, in the face of which Argentina will adopt the appropriate international actions.

UCR Deputy Comments

PY111551 Buenos Aires TELAM in Spanish 0437 GMT 11 May 85

[Text] Buenos Aires, 10 May (TELAM)-- Radical Civic Union [UCR] Deputy Guillermo Sarquis (UCR-Buenos Aires) today condemned the announced opening of a military airport in the Malvinas Islands, stating that this action only be interpreted as another sign of Great Britain's anachronistic obsession to revive its irretrievable imperial crown. The UCR lawmaker added that rather than nostalgia and delusive illusions, the world scene calls for rational and peaceful policies that contemplate the people's [words indistinct] and not that of weapons.

Sarquis, who is the secretary of the Chamber of Deputies Defense Commission, stressed that Great Britain, by turning the islands into a military and nuclear fortress, is not only conspiring against the peaceful coexistence of the peoples but clumsily hindering the possibility for a fruitful dialogue based on the representativity of their governments and supported by the people's will.

We cannot but repudiate and energetically condemn this act of peevishness, reaffirming our intent to struggle for the liberation of our encroached territory within the sole framework of diplomacy and our traditional foreign policy.

FOREIGN MINISTER VISITS ITALY, MEETS COUNTERPART

For Rome coverage of the visit to Italy by Foreign Relations Minister Dante Caputo, including his meeting with Italian Foreign Minister Giulio Andreotti, see the Italy & the Vatican section of the 10 May Western Europe DAILY REPORT and subsequent issues.

Signs Joint Communique

PY120000 Buenos Aires TELAM in Spanish 2105 GMT 9 May 85

[Text] Buenos Aires, 9 May (TELAM) -- Through a joint communique signed in Rome, which was disclosed by the Argentine Foreign Ministry here, Italy confirmed its determination to support the Argentine Government's efforts to reconstruct Argentine industry, and to support the Contadora Group's efforts to find a peaceful solution for Central America.

The joint communique reflects the talks held this morning at La Farmesina, headquarters of the Italian Foreign Ministry, by Italian Foreign Minister Giulio Andreotti and his Argentine counterpart Dante Caputo regarding bilateral relations and the current international situation. Andreotti briefed Caputo on the results of the recent summit held in Bonn by the industrialized countries, while Caputo discussed his government's problems and objectives, as well as evaluating the situation in Latin and Central America.

Andreotti, in his capacity as current president of the EEC, voiced the full support of his country and that of the 10 EEC member countries for the efforts for peace being carried out by the Contadora Group. The communique goes on to state that Andreotti referred in particular to the results of the mission being carried out by representatives of the EEC members in the capitals of countries interested in supporting the Contadora Group's efforts, with the purpose of preparing for the second meeting of representatives of the EEC and Central American countries. This meeting, at a ministry level, is scheduled to take place next autumn in Europe.

According to the joint communique, Andreotti assured Caputo that his country, as well as the EEC, grant great importance to relations with Latin American countries, and added that the EEC is analyzing the possibility of making a renewed effort to improve relations with Latin America, taking into account that it is imminent that Spain and Portugal are going to join the EEC.

The two ministers also discussed the Latin American economic and financial situation, in view of the note which the Cartagena Group members sent a few days ago to the countries that had attended the Bonn summit and the reaction of those seven countries to the note. Regarding bilateral issues, they referred at length to the Argentine foreign debt problem and its rescheduling as it relates to Italy. Minister Andreotti confirmed the Italian Government's determination to support the Argentine government's effort to reconstruct its industrial infrastructure through Italy's possible participation in important projects aimed at the Argentine economic recovery, in addition to the possibility of opening an important credit line to help reconstruct the country's productive apparatus.

The communique concludes by stating that, regarding the economic cooperation with Argentina, for which Caputo voiced his great appreciation, the two ministers agreed on a series of programs in the social, agroindustrial, and industrial fields, as well as the exchange of technology. Seven projects for 1985 will be financed through nonreimbursable loans, and another three through aid loans.

TRADE EMBARGO VIEWED AS DEFENSIVE U.S. MEASURE

PY101850 Buenos Aires LA PRENSA in Spanish 9 May 85 p 8

[Editorial: "Trade Embargo Against Nicaragua"]

[Text] The trade embargo imposed by the United States on Nicaragua is a defensive measure adopted by President Ronald Reagan in view of that country's political orientation toward dependency on the Soviet Union and its Cuban satellite. This fact, which cannot escape any impartial observer, is the precedent that justifies the embargo.

Those who will certainly attack the measure as a censurable form of intervention begin with a false supposition: that the embargo can be analyzed apart from the general character of the Central American state. The attackers deliberately forget the essential fact that motivates the embargo: the growing intervention of the aforementioned communist countries through steadily increasing and sizable military and technical assistance designed to prop up the Marxist totalitarian system taking hold in Nicaragua. That penetration is not restricted to Nicaraguan territory, because this territory is also used as a jumping-off point and beachhead, both to assist the Salvadoran guerrillas, who are trying to topple the democratic institutions that have laboriously been established in El Salvador, and to threaten the stability of neighboring Honduras.

A government can hardly feel entitled to invoke the principle of nonintervention when it is itself violating it. It can hardly accuse a given country of violating a principle which it allows other countries of a different ideological stripe to violate under the pretense of being allies.

Neither can the trade embargo be considered an act of intervention, because it is a simple precautionary and defensive measure. It might be said that it is an act of reprisal, but saying so implies a reaction to a previous situation calling for the reprisal. It would be naive to say that the United States, whose national security is seemingly jeopardized, should neglect to safeguard its own interests out of a sense of idealistic neutralism, thus leaving the way open for the aggressive communist expansion.

The existence of this expansionism, which does not stop at any juridical consideration, has caused, if not the failure, at least the delay in negotiations of the Contadora Group. The attitude of the United States cannot be blamed for this delay, because that country is willing to abide by the Contadora decisions, provided the Soviet-Castroist bloc does likewise.

It should be clearly understood that the imposed trade embargo indeed does not violate the international principle of nonintervention, understanding that there are two types of intervention: that of the unceasing aggression of the communist governments, and that of a merely defensive character as a legitimate reaction to the latter, for which the United States is being criticized. The Soviet converts and their satellites are raising their voice as usual against the second type of intervention. But few protests and condemnations are heard of the first type of intervention.

This lack of equanimity and impartiality distorts both the reality of the world political picture and the justified precautionary measure we have referred to.

PRESIDENT INSTALLS NEW CABINET; 5 NEW MINISTERS

PY110120 La Paz Cadena Panamericana in Spanish 0000 GMT 11 May 85

[Excerpt] The ministerial cabinet that will work with President Hernan Siles Zuazo was installed today, 10 May. Eleven ministers were ratified in their posts, while five are new. The aeronautics minister has not yet been named. The list of the ministers is as follows:

Foreign Relations and Worship: Edgar Camacho Omiste
Interior, Immigration, and Justice: Gustavo Sanchez Salazar
Defense: General Elias Gutierrez
Finance: Francisco Belmonte Cortes
Planning and Coordination: Freddy Justiciano Flores
Industry, Commerce, and Tourism: Oscar Farfan
Education and Culture: Cesar Chavez Taborga
Transport and Communications: Hernando Poppe Martinez
Social Security and Public Health: Javier Torrez Goitia
Labor and Labor Development: Gabriel Porcel Salazar
Mines and Metallurgy: Luis Pommier Gomez
Agriculture, Livestock, and Campesino Affairs: Guillermo Moscoso Riveros
Energy and Hydrocarbons: Ademar Velardo Ortiz
Urban Development and Housing: Emilio Ascarrunz Paredes
Aeronautics: To be designated
Information: Percy Camacho Flores
General Secretariat for Integration: Percy Fernandez Anez
General Secretariat of the Presidency: Freddy Penalosa Torricos

NEW INTERIOR MINISTER VOWS TO QUASH DRUG TRADE

PY111828 La Paz Cadena Panamericana in Spanish 1700 GMT 11 May 85

[Excerpt] Interior Minister Gustavo Sanchez has made his first statement to Radio Panamericana, commenting that he will continue the sound policy of his predecessor, Dr Federico Alvarez Plata.

With regard to the drug trafficking, the new interior minister has stated that the constitutional government headed by Dr Hernan Siles Zuazo will continue supporting with all the means at its disposal the struggle against the illicit activity in compliance with the international commitments the country has entered. Sanchez stated that, if necessary, as interior minister, he will again head the operations to combat that activity, which has caused serious moral damage to the country.

ANTI-DRUG OPERATION TO BE POLICE RESPONSIBILITY

PY080220 La Paz Cadena Panamericana in Spanish 0000 GMT 8 May 85

[Excerpt] Colonel Carlos Fernandez, president of the Committee for the Struggle Against Drug Trafficking, has been replaced as the new organic law of the Bolivian Police has gone into effect. Radio Panamericana has obtained a report on this through a conversation with Interior Minister Federico Alvarez Plata.

Since the approval of the new law, the struggle against drug trafficking will be totally the responsibility of the Bolivian police. Thus, the Committee for the Struggle Against Durg Trafficking will depend fully on that institution, the minister stated. Consequently, the new director of the struggle against drug trafficking, Colonel Guido Lopez, was installed last week. Lopez thus assumed the great responsibility of the struggle against drug trafficking. Thus, Col Fernandez, president of the Committee for the Struggle Against Drug Trafficking, has been replaced, and is awaiting a new designation, the interior minister reported.

Fernandez Replacement Denied

PY100137 La Paz Cadena Panamericana in Spanish 0000 GMT 10 May 85

[Excerpt] The president of the National Committee for the struggle Against Drug Trafficking, Colonel Carlos Fernandez, has not been replaced. This is the official government report released by Interior Ministry Under Secretary Gustavo Sanchez, who made remarks in this regard to Radio Panamericana. Col Fernendez is on a mission abroad by orders of the constitutional government, and he is fulfilling his job positively, according to the reports we have at hand, the Interior Ministry under secretary stated. Consequently, he has not been replaced in his post, nor was he dismissed, Sanchez added.

[Begin Sanchez recording] In fact, Col Fernandez has not been replaced. He has been charged with a mission abroad, an official mission, by the government. And according to the reports received by the Interior Ministry, this mission is being carried out positively for the country. [end recording]

Thus the government denies the replacement of Col Fernandez, president of the National Committee for the Struggle Against Drug Trafficking, a report that had been released by some communications media.

WORKERS STRIKE FOR WAGE INCREASE, BONUS

Newspaper Workers Strike

PY081442 La Paz Cadena Panamericana in Spanish 1130 GMT 8 May 85

[Excerpts] The workers of the newspaper PRESENCIA and the Lux Publishing house have issued a joint statement in which, in order to avoid distortions of the truth, they elaborate on the reasons for their action. The statement notes that the strike is being started, despite the many efforts, owing to the management's refusal to hold negotiations. The workers are asking for a salary hike of 150 percent plus a monthly bonus of 10 million pesos.

Physicians Strike

PY092249 Madrid EFE in Spanish 1455 GMT 9 May 85

[Excerpt] La Paz, 9 May (EFE) -- The Federation of Physicians and Related Professionals today started a general indefinite strike that has paralyzed the activities of all health services, including emergency services. The strike is being upheld by the physicians, dentists, biochemists, and pharmacists who work for the National Social Security Service (CNSE), which is a government entity, to protest a government refusal to meet salary demands. The physicians were enforcing a slow-down which began on 24 April in hospital, emergency, maternity, and clinical services, but today they decided to exert more pressure by declaring an indefinite strike.

Bank Workers Strike Continues

PY100130 Paris AFP in Spanish 2128 GMT 9 May 85

[Text] La Paz, 9 May (AFP) -- Police forces today occupied the Bolivian-American Bank, whose employees have called a general strike to demand higher wages. In view of this action, all national banks unexpectedly decided to close their doors indefinitely. Until yesterday, all bank employees had observed a 48-hour strike in support of the employees of the Bolivian-American Bank and of the Bank of Brazil of Cochabamba, in the central part of the country, who are demanding better economic benefits from their employers.

FRENCH NUCLEAR TESTS IN SOUTH PACIFIC PROTESTED

PY102140 Santiago Domestic Service in Spanish 1730 GMT 10 May 85

[Text] Fernando Gamboa, director for special policies of the Foreign Ministry, said that Chile continues to condemn and energetically protest the recent French nuclear tests carried out on the Mururua Atoll. Gamboa made these statements when asked his opinion of the tests. The last nuclear explosion in the South Pacific, which took place yesterday, was one of the most powerful ever registered. Moreover, a similar explosion took place 2 days ago. In this regard, Fernando Gambao said that Chile continues to condemn and protest these nuclear tests because of the consequences they have. Gamboa explained that it still has not been scientifically proven what effects these explosions may have, but that it is feared that they will cause earth tremors, affect sea fauna and flora, maritime currents, and the ecological system. He said that it is hoped that scientific research will be done to determine the effects of such explosions and that as of now Chile will abide by all the resolutions that may be adopted in this regard by the South Pacific Permanent Commission of which Chile, Ecuador, Colombia, and Peru are members. It is estimated that the last French nuclear explosion on the Mururua Atoll involved 150,000 tons of TNT.

Group Asked To Condemn Tests

PY111600 Santiago Domestic Service in Spanish 1100 GMT 11 May 85

[Text] The Chilean Foreign Ministry has urged the Permanent South Pacific Commission to strongly condemn nuclear tests in the Pacific Ocean. It also advocated the definitive cessation of these harmful detonations by France. The report was made by the Foreign Ministry spokesman, Ambassador Marcelo Padilla:

[Begin recording] In accordance with what Chile, Colombia, Ecuador, and Peru disucssed during the fourth meeting of the Juridical Committee of the Permanent South Pacific Commission, the Foreign Ministry today urged the General Secretariat of the Commission to strongly condemn nuclear testing in the Pacific Ocean, advocating the definitive cessation of these harmful detonations. This Chilean (?action) is being made because of the recent powerful nuclear test conducted by the French Republic in Mururua Atoll. The Chilean Government deplores this serious action and expects France to desist from its inappropriate attitude and respect the demands of the Pacific coastal states, which wish to preserve this ocean from experiments harmful to their maritime patrimony and environment. [end recording]

This was the Foreign Ministry's response to the detonation of a powerful underground nuclear bomb, estimated at 150 kilotons, at Mururua Atoll in French Polynesia. It has been reported that this was the strongest nuclear test ever recorded by the New Zealand Government control stations. Until now, the stongest had been 140 kilotons in 1979.

CARABINEROS DISPERSE WW II VICTORY RALLY

PY100135 Santiago Radio Chilean in Spanish 2300 GMT 9 May 85

[Excerpt] About 150 persons gathered today in Santiago's Plaza de Armas to commemorate the 40th anniversary of the victory over Nazism and Japanese militarism. Carabineros broke up the peaceful ceremony, but since Carabineros and security organizations had arrived at the site previously, the ceremony was relocated.

FOREIGN MINISTER RAMIREZ ARRIVES IN SPAIN

PA092339 Madrid EFE in Spanish 1354 GMT 9 May 85

[Text] Madrid, 9 May (EFE) -- Colombian Foreign Minister Augusto Ramirez Ocampo expressed his fear that Reagan's attitude against Nicaragua and the Soviet support for Daniel Ortega have made the Central American conflict an East-West confrontation. Ramirez Ocampo made this statement today at the Barajas Airport in Madrid where he arrived from Bogota on a stopover during his official trip to Rome and Bucharest.

The Colombian foreign minister will remain in Madrid for a few hours during which he will meet privately with his Spanish counterpart, Fernando Moran. Ramirez Ocampo said that he will discuss the Central American situation and the U.S. embargo on Nicaragua during his meeting with Moran, and that together they will analyze the information made available to the Spanish foreign minister as a result of President Ronald Reagan's visit to Spain.

Ramirez Ocampo said that Colombia has followed Spain's entry into the EEC with great interest, and added that "this will have an effect on Latin American countries because many of our countries have special agreements with Spain that must be analyzed within the EEC." "I hope that Spain will try to minimize the negative effects on those agreements," he stressed.

The Colombian foreign minister said that the international community, particularly the European countries, have great possibilities for preventing "the Central American situation from becoming an East-West confrontation."

He recalled that the presence of EEC delegates was one of the most encouraging steps for the Contadora Group during the historical meeting in San Jose. He added: "Today, a broader body can handle the process much better and has the possibility of handling the issue within a greater political equilibrium."

Regarding President Reagan's visit to Madrid and the upcoming visit of Nicaraguan President Daniel Ortega, Ramirez Ocampo said that Spanish Prime Minister Felipe Gonzalez will take advantage of these two opportunities to continue his mediation in seeking peace for "the highly conflictive Central American area."

GUERRILLAS SET OFF BOMBS, ATTACK GARRISON IN BOGOTA

PA101310 Bogota Emisoras CARACOL Network in Spanish 1218 GMT 10 May 85

[Text] Bogota -- In the past few hours guerrillas staged bold terrorist actions in Bogota with the objective of dynamiting various locations and seizing a police garrison in Suba. It is believed that at least 150 guerrillas of a dissident group of the Revolutionary Armed Forces of Colombia [FARC] participated in the terrorist escalation, which included plans for the destruction of some of the overpasses in Bogota. While explosive devices were set off in various points of the capital, they tried to seize the police garrison in Suba, in eastern Bogota.

Fifteen bombs were deactivated by the authorities, and two guerrillas were arrested as they were trying to place another one to blow up a bridge. The bold seizure of the police garrison in Suba was frustrated due to the immediate reaction of the policemen, who not only repelled the attack but also killed four young members of the terrorist commando group. The guerrillas were unable to set off the bombs that had been placed near the garrison, and they were also unable to destroy some important installations in Bogota.

Following the frustrated attack on the garrison, the police confiscated grenades, submachine guns, and ammunition from the guerrillas killed in the attack.

The Ricardo Franco Front, a dissident group of the FARC, failed in its attempt to seize a police garrison in Bogota as part of a terrorist escalation that left four guerrillas and one policemen dead and two minors wounded. The terrorist actions that shook Bogota last night were carried out after the dissident group of the FARC [word indistinct] and formed an alliance with others to stage (?terrorist) actions and disrupt public order. An armed commando group of the dissident front tried to seize the police academy [as heard] that operates in Suba municipality. The subversives were repelled by policemen, who were able to kill four guerrillas. The guerrillas tried to enter the school [as heard] but were unable to overpower the policemen on duty. The explosion of one of the bombs alerted the policemen, who reacted immediately and repelled the guerrilla attack that included shots fired from various directions. The guerrillas fled on a motorcycle and in a vehicle, but the policemen were able to kill four of them. Policeman Ricardo Sanchez Pineda was killed when he tried to intercept the vehicle in which some of the guerrillas were escaping. In the Kennedy neighborhood, near the police garrison, an explosive device injured two minors. A bomb also exploded in San Cristobal neighborhood in southern Bogota.

The dead guerrillas were identified as Carlos Eduardo Ortiz Gonzalez, Edgard Vargas, Jaime Lopez Herrera, and Jorge Lieser Penaloza. They were between 22 and (?25) years old.

A few minutes ago the Ricardo Franco Front claimed responsibility for the series of attacks in Bogota in the last few hours, including a clash with the police that left four terrorists dead. An individual calling himself Commander Jose said in a telephone call to CARACOL that the actions were carried out to honor priests Alvaro [names indistinct] and Garcia Diaz who were killed in Cauca and Valle and Netherlands priest Daniel Guillar wounded in Cali. He said the actions were also against President Betancur because he had decided not to freeze the prices of the staples and public service rates, thus fulfilling the dictates of the IMF.

The authorities have adopted strict security measures in Bogota after the terrorist escalation by the Ricardo Franco Front. General Jose Luis Vargas Villegas, police commander in Bogota, warned that the authorities are prepared to face the guerrillas and prevent terrorist actions like those that took place in Bogota in the past few hours. Gen Vargas referred to the guerrilla group's frustrated attack on the police garrison in Suba, noting that the immediate reaction of the policemen prevented the guerrillas from achieving their objective.

CHILEAN MINISTER ARRIVES, MINIMIZES REAGAN REMARK

PY130138 Madrid EFE in Spanish 2332 GMT 12 May 85

[Text] Asuncion, 12 May (EFE) -- Chilean Foreign Minister Jaime del Valle today minimized U.S. President Ronald Reagan's remark that there is no democracy but an entrenched military regime in Chile.

Del Valle, who arrived in Asuncion today on his first official visit as Chilean foreign minister, said: We do not believe Reagan meant to offend our country.

Del Valle, who is making a 4-day visit to Paraguay to attend celebrations marking the 174th anniversary of Paraguayan independence, will contact high-level Paraguayan officials and will be received by General Alfredo Stroessner, for whom he claims to profess a special respect.

The Chilean foreign minister told EFE that his government is used to remarks being made about Chile that are not strictly in line with the truth.

Del Valle said that the 1980 referendum was an election in which the immense majority of the people voted for the Pinochet regime, that Chile is ruled based on a Constitution, that there is a state of law, and that there are independent branches of government. He added: We are absolutely certain that we are on a path that will lead us to a full, protected, stable democracy.

During a visit to Spain on 7 May, Reagan cited Chile, Paraguay, Nicaragua, and Cuba among those Latin American countries that still do not have democratic governments.

Del Valle said that Reagan's remark was not an incentive for the Chilean opposition which, he said, is divided and lacks common objectives.

Del Valle, who was welcomed with military honors in Asuncion, said that his government accepts ideological pluralism in its international relations, but does not accept interference by any country in Chilean domestic affairs. He said international communism has been attacking Chile and cited the Sandinist regime of Nicaragua.

The foreign minister said: We are the target of persistent Nicaragua verbal aggressions. This is interference in Chilean domestic affairs. He said it is difficult to understand the Nicaraguan position since Nicaragua itself has been making the same charge against the United States.

Del Valle admitted that the embargo imposed by the Reagan administration on Nicaragua could have negative effects on inter-American relations. He added: We do not believe the (Nicaraguan) problem will be solved through tough or violent methods but through dialogue and the peaceful mechanisms of the United Nations and the OAS.

Del Valle noted, however, that the Chilean position should not be interpreted as disapproval of the measures adopted by the U.S. President against Nicaragua. The situation should be calmly studied. We should see the results of the embargo. Although Chile has not adopted a definite position on this matter, we believe Nicaraguan interference in the domestic affairs of other countries should also be considered, Del Valle said.

STATE OF EMERGENCY EXTENDED TO PASCO PROVINCE

PY111232 Madrid EFE in Spanish 0026 GMT 11 May 85

[Excerpt] Lima, 10 May (EFE) -- The Peruvian Government today extended the state of emergency to Pasco Province, northeast of Lima, where three persons were murdered over the past 10 days. These murders were attributed to the Shining Path terrorist organization. The measure was adopted during a meeting the ministers held at Government Palace in Lima at the request of Interior Minister General Oscar Brush, Prime Minister Luis Percovich has reported.

Not To Be Nationwide

PY111624 Lima Cadena America Television in Spanish 0330 GMT 11 May 85

[Excerpts] Despite the terrorist attacks that have taken place in the past few days, the government is not considering the possibility of extending the state of emergency throughout the country.

[Begin recording] [Reporter] Because of the wave of terrorism, there is some uncertainty and insecurity among the citizens, who are demanding stronger security measures. Mr Minister, will the government declare a state of emergency or a curfew, or some other measure to restore tranquillity for the citizens?

[Pime Minister Luis Percovich] Unfortunately, terrorism cannot always be totally and immediately combatted, no matter how many security measures are taken. It is a gradual process. So far, it is believed that it is not yet necessary to enforce a state of emergency throughout the country, but only in certain areas where, according to the turn of events, such a measure is suitable.

[Reporter] Dr Barrantes has said that the ultraright is reportedly trying to thwart the electoral process in order to prevent the American Revolutionary Popular Alliance from assuming power. What is your opinion?

[Percovich] Regarding the Lima mayor's statements, it would be of interest if he would let us know the lead he has to that ultraright group so we can identify them. I think Dr Barrantes was a little hasty in making that accusation. If he believes he has sufficient evidence to make such a statement, he has the duty to report the evidence he may possess or which he has learned about to the appropriate authorities. [end recording]

GARCIA SEEKS TO STRENGTHEN APRA TIES WITH EEC

PY090249 Paris AFP in Spanish 0006 GMT 9 May 85

[Text] Lima, 8 May (AFP) -- Alan Garcia, virtual president-elect of Peru, today met with ambassadors of the member countries of the EEC. At the end of the 3-hour meeting held at the Italian Embassy, Garcia who is secretary general of the American Revolutionary Popular Alliance [APRA] of social democratic tendencies, explained that its objective was to strengthen economic, commercial, and cultural relations with the EEC members. Italian Ambassador Federico di Roberto voiced his satisfaction over this first meeting with the winner of the presidential elections, which were held on 14 April.

U.S. REACTION TO EMBARGO STATEMENT REJECTED

PY110015 Madrid EFE in Spanish 2321 GMT 10 May 85

[Text] Montevideo, 10 May (EFE) -- Uruguay has rejected a U.S. presentation on a Uruguayan Government statement on the sanctions imposed by the Reagan administration on Nicaragua. The Uruguayan Government on 6 May issued a communique deploring the economic embargo Washington imposed on the Central American country. Following this, U.S. Charge d'Affaires Richard Melton met with Diana Espino, deputy director of the Foreign Policy Department of the Foreign Ministry, in the absence of the department's director. Melton conveyed the U.S. Government's displeasure at the Uruguayan statement. Diana Espino said that the original statement was issued following a sovereign Uruguayan decision, and that the matter is of exclusive Uruguayan Government concern.

DEFENSE, ECONOMY MINISTERS ANNOUNCE BUDGET CUTS

PY102245 Buenos Aires TELAM in Spanish 2020 GMT 8 May 85

[Text] Montevideo, 8 May (TELAM-REUTER) -- Two important announcements made by the defense and economy ministers have prompted certain expectations in all sectors of opinion in Uruguay. Defense Minister Juan Chiarino has reported that the government intends to reduce between 20 and 30 percent the budget for the Defense and Interior Ministries, while the Economy Minister Ricardo Zerbino has confirmed the invitation extended to the political parties to participate in the negotiations for new international financial resources. Chiarino, who had previously held a meeting with President Julio Maria Sanguinetti, also revealed the government's intention to reduce to the minimum necessary the number of military attaches at Uruguayan embassies abroad. The defense minister's remarks, which, although they did not cause any surprise given the reasons behind the changes, did prompt some speculation due to the severity of the actions to be tackled. Chiarino stated that the Defense and Interior Ministries absorb 43 percent of the salary budget for the state administrative apparatus. We intend to reduce these expenditures by 20 percent, and if possible by up to 30 percent. After ratifying the reduction to the minimum of military attaches abroad, he said that most current attaches will soon return to the country. In another aspect of the Armed Forces' activities, Chiarino stated that his ministry intends to cooperate as much as possible with the emergency social plan outlined by the government to aid the poorest sectors. He stated in this regard that military action for the benefit of the community could include the construction of schools and cafeterias on the outskirts of cities and in rural zones. In view of the unprecedented nature of the invitation extended by the Economy Ministry, the announcement made by the economy minister surely caused favorable impressions and will certainly receive the support of most opposition political parties. It is expected that they will designate their representatives to a delegation to be headed by Central Bank President Ricardo Pascale and that will depart before the end of this month to look for financial support from the developed countries for the Uruguayan economic recovery program. Zerbino stated that these new resources to be negotiated at the intergovernment level are precisely those needed to prevent our program from having recessive effects. The minister took the opportunity to deny to the press rumors stating that the IMF technical delegation which has been visiting the country for 10 days is negotiating the Uruguayan foreign debt, which now amounts to $4.7 billion. Zerbino stated that the IMF delegation is checking some figures and collecting some information. Once it concludes its work, then a negotiation or a discussion will begin on the objectives of the IMF program. Regarding the invitation made to the political parties, the Uruguayan economy minister stated emphatically that the objective of the democratic government of President Julio Maria Sanguinetti is to keep the parties well informed on the development of talks and future financial negotiations.

PRESIDENT ON AREA FOREIGN DEBT, MILITARY CRISIS

FL091505 Mexico City NOTIMEX in Spanish 0420 GMT 9 May 85

[Text] Mexico City, 8 May (NOTIMEX) -- President Miguel de la Madrid has said the indebtedness of the developing countries will not be resolved automatically with the economic recovery of the industrialized nations or the indefinite continuation of adjustment processes in the debtor nations. The president said that what is urgently needed is a general focusing of attention on the problem, recognizing its interrelation with world finance and trade. To achieve this goal, debtor and creditor nations and international financial institutions must work together for a more balanced future.

De la Madrid made those statements at a dinner he hosted for Algerian President Chadli Bendjedid at the Mexican Foreign Secretariat. He also asserted that the foreign debt is the main obstacle to the reordering and recovery of a large number of developing nations and for Latin America. He warned that if the facts are not known, necessary actions might not be taken or might be postponed, which would have serious consequences for the stability of the financial system and its well-being.

In his speech, De la Madrid also said the economic crisis and military tensions are among the main threats to mankind and especially to developing peoples. Therefore, he added, it is necessary to vitalize principles and international cooperation. World stability and prosperity are too delicate to allow progress to be the exclusive patrimony of a handful of nations. Development has become an imperative for the peaceful coexistence of men and nations. He called for an end to the fragmentation among the Third World countries, which weakens the negotiating capability and the push toward a new international order because, he admitted, we have not been able to consolidate our basic objectives and commitments.

He pointed out that the two plans for cooperation among less powerful nations face difficulties which reflect the world economy, structural insufficiencies, and the lack of articulation of their own efforts, but despite all this, they have reached a more effective level in their exchanges.

In his speech, the Mexican president proposed the restoration of instruments for developing countries to face their problems and counteract the drop in the prices of raw materials. He reiterated that regarding hydrocarbons, Mexico will contribute to stabilizing prices and market demand but he stressed that it is indispensable for all producers to maintain discipline in the supply of crude oil in order to first strengthen the international system and afterward try to recover prices.

The president also referred to interests that are trying to harm the multilateral cooperation mechanisms established to ensure peace and development. He said that as the 40th anniversary of the founding of the UN is celebrated, it is of utmost importance to consolidate the validity of that organization, to renew the commitment of the member countries, and to induce governments to unconditionally observe international law. He recognized that many world organizations should modernize their purposes and capabilities but they will not achieve this if their members abandon or pressure them.

He endorsed Mexico's commitment to continue its efforts for peace and justice and added that in the face of regional conflicts and militarism, international law stands as a weapon of reason, which permits the weak to defend their legitimate aspirations. Finally, De la Madrid reiterated the Mexican Government's willingness to expand bilateral relations with Algeria, saying that geographic distance does not hinder the identification and combination of efforts. At the dinner, the Mexican president awarded his Algerian counterpart the Mexican Order of the Aztec Eagle in recognition of his virtue as a world statesman.

U.S. EMBARGO TERMED 'COUNTERPRODUCTIVE, HARMFUL'

FL111830 Mexico City NOTIMEX in Spanish 1712 GMT 11 May 85

[Excerpt] Mexico City, 11 May (NOTIMEX) -- Mexican Under Secretary of Foreign Relations Ricardo Valero has said that the U.S. economic blockade of Nicaragua is counterproductive and harmful to international coexistence. Before departing for Panama, where he will participate in the meeting of Contadora Group plenipotentiaries from 14 to 16 May, the Mexican official said this position is implicit in Mexico's participation in this meeting. He said this last meeting of Contadora under secretaries will serve as a framework for the review of certain aspects that still have not achieved the necessary consensus among the member states and that must be dealt with in a framework of conciliation.

Valero said the meeting will deal specifically with the U.S. position in relation to its demand for new Nicaraguan elections and the imposition of conditions on the electoral process of other countries. He reiterated that Mexico will not accept international arbitration of its electoral process. Such arbitration may be acceptable to other states but would violate Mexico's national sovereignty. Valero reiterated that, despite the problems facing the Contadora Group, caused by those who continue to propose a military solution for Central America, Mexico bear new hope and supports the practical steps of dialogue and negotiation.

POSSIBLE NAVAL BLOCKADE AGAINST NICARAGUA VIEWED

PA101957 Mexico City EXCELSIOR in Spanish 4 May 85 p 6 A

[Editorial: "Dangerous Detonator"]

[Text] The probability that the trade embargo will be insufficient to make the Sandinist regime yield is reflected in the plan to begin within the next few hours a naval blockade that would be much more serious because in order to be effective, it must intercept the ships arriving in Nicaraguan ports from many countries, including the USSR and other members of the Eastern bloc. In this way, the antagonism toward the regime headed by Daniel Ortega becomes a dangerous detonator for an international conflict of greater dimensions because it would not just be a matter of exerting pressure on a small country but of openly confronting a close group of nations led by the world's first military power.

The need for the naval blockade can be understood from the point of view of the U.S. strategy because the suspension of trade operations might not achieve the desired objective. The supply of goods and services and other resources from nations that will surely replace any shortages caused by the U.S. embargo will have to be prevented. The idea gains strength because countries and people who are not members of the pro-Soviet bloc have already begun to express their opposition to the U.S. position. Spain is one, and it is joined by many others who have already expressed their view in this new phase of the Central American crisis.

As for the Soviet Union's stong condemnation that Reagan "is not in the least interested in respecting the principle of free international trade," it was to be expected and is not surprising.

NEW AMBASSADOR TO CUBA ON FOREIGN POLICY

FL101824 Mexico City NOTIMEX in Spanish 0330 GMT 10 May 85

[Text] Mexico City, 9 May (NOTIMEX) -- The new Mexican ambassador to Cuba, Enrique Olivares Santana, said today that liberty and peace will have to be the product of a permanent struggle for the inalienable rights of man.

The diplomat said the foregoing after being sworn in by the Permanent Commission of the Congress of the Union as Mexican ambassador extraordinary and plenipotentiary to the Government of the Republic of Cuba. He added that the Mexican Government has never been weak in safeguarding Contadora's principles. Mexico's foreign policy is obvious, upright, and firm, he said. The Mexican diplomat said that, despite pressure applied to Mexico and campaigns to discredit it, the Mexican Government has not wavered in its foreign policy, which is based on the principles of nonintervention and the self-determination of peoples. He also said Mexico and the Republic of Cuba have traditionally had cordial relations within a framework of friendship and mutual respect, for which reason it will be his mission to strengthen these relations and preserve the interests of the nation. Olivares Santana said we are living in a complex and convulsive world, and integrity, serenity, and deep nationalism are required to protect the interests of the homeland. Mexico and Cuba have similar aspirations and desire to live in peace and absolute freedom. The Mexican diplomat will travel to Havana tomorrow to present his credentials as ambassador, replacing Rodolfo Echeverria Ruiz.

CUBAN ENVOY TERMS U.S. POLICY 'HYPOCRITICAL'

FL091544 Mexico City NOTIMEX in Spanish 2110 GMT 8 May 85

[Text] Mexico City, 8 May (NOTIMEX) -- Cuban Ambassador to Mexico Jose Fernandez de Cossio has said that U.S. policy is hypocritical and cynical in trying to take the East-West confrontation to Central America because it is the most controllable area. Fernandez de Cossio spoke of the urgent need for the Contadora Group to make a greater effort to achieve its objectives of pacification because the failure of its work would open up the possibility of a Central American conflagration. The Cuban diplomat said the U.S. trade blockade against Nicaragua is an illegal act because it violates the UN and OAS Charters and pledges that the United States has made to the GATT. He underscored the fact that Washington signed the Charter of Rights and Duties of States, and the trade embargo against Nicaragua goes against those principles. Fernandez de Cossio said this blockade constitutes intervention in the internal matters of another country, a sanction that is reserved to international organizations when one state breaks the law in relation to another state. He said the Nicaraguan people will suffer the effects of the U.S. restriction but the Central American peoples that struggle for their independence and sovereignty will oppose the pressures as they did in the case of Cuba.

Seeks New Economic Order

FL111614 Mexico City NOTIMEX in Spanish 2230 GMT 10 May 85

[Text] Mexico City, 10 May (NOTIMEX) -- Cuban Ambassador to Mexico Julio Cesar Fernandez de Cossio has stressed the need to renew the North-South dialogue because of the grave crisis that affects the Third World due to its foreign debt. The financial crisis, he said, is causing those countries to lose ground, for which reason it is urgent to begin a political dialogue on the international debt as the first step to establishing a new world economic order. Only through political unity will the governments of the so-called Third World be able to make themselves heard in the international forums, the Cuban diplomat said. When he went [to the airport] to see off Algerian President Chadli Bendjedid, who was visiting Mexico, Fernandez de Cossio said his visit here reaffirmed the will to progress in the search for a new international economic order. Furthermore, he said, it represents the need for the unity of the underdeveloped nations and the countries that belong to the Group of 77 to change the world financial situation that is so harmful to them. Finally, he stressed the fact that Bendjedid's visit here acquires great importance because of Algeria's role in the Third World and Mexico's recognized position in all international forums.

PRESIDENT ON POLITICAL, ECONOMIC SITUATION

PA121551 Panama City Televisora Nacional in Spanish 0000 GMT 11 May 85

[Interview with President Nicolas Ardito Barletta by unidentified Televisora Nacional reporter; date and place not given]

[Text] [Begin recording] [Reporter] Mr President, with the recent reorganization of your administration, do you feel that conditions are favorable for your government to move forward?

[Ardito Barletta] Definitely so. The reorganization we have made, based on consultations with the National Democratic Union parties that represent the government's political foundation and are strongly represented at the Legislative Assembly, is aimed at strengthening the unity among our parties in order to implement the development program we have promised to the Panamanian people. As we all know, we are facing a very difficult economic situation, which we have begun to solve in phases. The fiscal problem has been solved through the budget and the current negotiations. The problem of economic reactivation is being handled through a series of actions in the various economic sectors that can respond quickly, such as construction, tourism, agriculture, livestock, industries, and exports. We have made specific proposals and have taken legislative and administrative actions. Moreover, we are holding talks with the sectors of our population that can help in the economic reactivation.

In addition, as usual we are addressing the social problems affecting our people, since despite the grave economic situation, we must insist on meeting their needs. Our main concern is our people's well-being. However, to achieve this in the most efficient and effective way we must reactivate our economy. This also requires the strengthening of our political foundations through greater unity among our parties. It also requires more action to carry forward our government platform, as promised to the Panamanian people. [end recording]

PRESIDENT NOTES IMPORTANCE OF LABOR UNIONS

PA120150 Panama City LA ESTRELLA DE PANAMA in Spanish 11 May 85 pp A 1, A 16

[Excerpts] Panamanian President Nicolas Ardito Barletta said during the speech he delivered at the opening of the 18th Congress of the Confederation of Workers of the Republic of Panama [CTRP] that he is convinced of the very important role that the Panamanian labor unions must play for the reactivation of the country's economy.

The president said this role will be played firmly and energetically and for this it is necessary to strengthen the labor unions.

The president reiterated what he said on 1 May in Puerto Armuelles, that "without labor unions there is no democracy. The larger and stronger the labor unions are, the greater and stronger the democracy will be."

In his speech, the president referred basically to the country's unemployment problem, calling it "the worst enemy of the workers."

Ardito Barletta then reiterated that his administration is committed to creating 25,000 jobs annually. He said: "The task is huge. To solve the unemployment problem it is necessary to count on everyone's firm, persevering, intelligent, and constructive contribution. It is necessary to have a profound will to cooperate, to meet, to talk, and to understand. This is what is required of the most important sectors of our country."

"I admit that the solution to the unemployment problem will not be easy, but we cannot stop to complain or sink with frustration. I, as president, have the responsibility of leading the search for a solution. Businessmen have another responsibility, and labor leaders still another, that of supporting the efforts that are made to find a solution," the president said.

Ardito Barletta said that a solution requires an economic reactivation and an increase in activities, investments, and production, to generate more jobs. "To produce an economic reactivation we are promoting more exports. We must lower our production costs to face a competitive international market. We are promoting true harmony between the workers and the employers so that they can secure mutual benefits."

The president said: "We are on the road to solving the fiscal problem. The conclusion of the renegotiation of the foreign debt is imminent."

GEN NORIEGA DENIES EXISTENCE OF GUERRILLA UNITS

PA121516 Panama City Televisora Nacional in Spanish 0000 GMT 11 May 85

[Interview with General Manuel Antonio Noriega, commander in chief of the Defense Forces, by unidentified reporters in San Isidro de Cermeno]

[Text] [Begin recording] [Reporter] What agreements were reached with the Costa Rican president and military authorities on the subject of security?

[Noriega] Our current agreements call for coordination between the two countries. Our talks were only to maintain this coordination.

[Reporter] Is it true that there are guerrilla units between Chiriqui and the Costa Rican border?

[Noriega] This is absolutely false. There are no guerrilla units. They exist only in the minds of those spreading these rumors.

[Reporter] How can you explain the fact that international dispatches from Costa Rica attributed this statement to you?

[Noriega] I never said anything about guerrilla units. On the contrary, I was asked about this and denied such reports. I also said that the fact that I was in Costa Rica and not in Panama proved that these reports were false.

[Reporter] What is your opinion about the new cabinet, General?

[Noriega] This is a presidential matter. Cabinet members work with the president, so he is the one who should be asked his opinion. [end recording]

COSTA RICA

GOVERNMENT OPPOSES U.S. EMBARGO ON NICARAGUA

Monge Comments

PA120140 San Jose LA NACION in Spanish 4 May 85 p 6 A

[Interview with President Luis Alberto Monge by LA NACION in San Jose; date not given]

[Excerpts] The crisis prevailing within the official parliamentary faction, which became apparent 1 May when two bands of this group fought over the presidency and other posts in the legislative directorate, was analyzed by Monge, who also referred to some statements issued by liberationist candidate Dr Oscar Arias Sanchez, who said that the president should have taken a stronger stand against the National Liberation Party [PLN] deputies.

"With all due respect to Mr Oscar Arias, impositions do not work in the PLN; we must try to convince people. One cannot impose things that cannot be attained through a conviction," the president emphasized.

On 8 May Mr Luis Alberto Monge will have completed his third year in power.

"I am, what you might say, moderately satisfied with what we have been able to attain during that time in the economic and social sector; we have strengthened our democratic institutions and safeguarded peace in the country," the head of state emphasized. He added that he feels frustrated because the highest ideals or goals were not attained, that is, filling the gaps in workers' salaries and in the poorest families' deteriorating income.

"This is a long-term task and we will do all we can during the remainder of my term to correct and compensate these wide gaps in the Costa Rican people's standard of living."

[Question] Mr President, what worries you the most about the country's current situation?

[Monge] I am deeply concerned about the Central American problem. We are not part of the crisis in the isthmus, but it is part of our problem and we cannot ignore it, just as we cannot isolate ourselves, because the negative reflections are also felt here. It is a terrible truth: We cannot leave here. We have a 320-km border with Nicaragua and, without trying to offend anyone, we would prefer having the Swiss or Austrians as neighbors, but that is not possible.

According to Luis Alberto Monge, the Central American situation has taken a dangerous turn during the past few days. "The economic embargo imposed by the United States on Nicaragua threatens to increase even more the immigration bomb within our country, and we are already at the limit of our capacity to take care of these refugees."

[Question] Has the government issued some kind of appeal to the U.S. Government, to explain things and somehow get some aid in case the situation gets worse?

[Monge] Foreign Minister Carlos Jose Gutierrez has preliminarily discussed the matter with Charge d'Affaires George Jones, but a much more specific analysis will be made next week on something we predict as fatal and unavoidable: the increase of Nicaraguan refugees in Costa Rica.

[Question] Do you think the embargo is appropriate?

[Monge] The matter is too delicate for us to give our opinion regarding a decision that has been adopted by the United States, because it has the right to adopt policies considered most appropriate for its interests. However, it is very complicated for us to adopt a position concerning that measure, because we have a 320-km border with Nicaragua, something the United States does not have; its responsibilities are slightly different from ours, which are aimed at safeguarding our country.

In addition, we cannot adopt a decision without taking into consideration that this would provoke a collapse within the CACM: that would be equivalent to liquidating the organization.

Costa Rica would not be able to compensate its losses through other means. Twenty percent of our exports are still being sent to Central America. We do not see how we could recover from that loss in the short term.

Referring to our internal problems, Monge also voiced his concern about the demand for land and housing.

"Our peasants are justly and rightfully demanding land. The state organizations, namely the Institute for Agricultural and Livestock Development and the National Institute of Housing and Urbanization have done all they can, but have not been able to match the current demands," he asserted.

Foreign Ministry Communique

FL101326 Mexico City NOTIMEX in Spanish 0410 GMT 10 May 85

[Text] San Jose, 9 May (NOTIMEX) -- The Government of Costa Rica rejects participating in the embargo imposed against Nicaragua by the United States because it is a coercive measure that is contrary to its policy of neutrality and to the goals of the Contadora Group. In an official communique, the Costa Rican Ministry of Foreign Relations says the country finds it impossible to accept the embargo because to do so would violate its obligations as a member of the Central American Common Market, and as a signatory of the Peace and Friendship Treaty signed with Nicaragua in 1948 and the protocol to this treaty signed in 1955. Furthermore, the embargo is contrary to the Contadora Document, which calls for nations not to adopt coercive or discriminatory measures prejudicial to the economy of any Central American country.

The Costa Rican Government believes that the measures taken by the Reagan administration and the visit to Moscow by Nicaraguan President Daniel Ortega significantly increase regional tension. It will be possible to make progressin the pacification of the area only with a dialogue between the sides in conflict and with regional reconciliation, but these objectives must be sought within the framework of the Contadora Group, the communique added.

Foreign Minister Carlos Jose Gutierrez said he and the foreign ministers of Honduras and El Salvador and the deputy foreign minister of Guatemala had expressed that concern during their meeting in the Salvadoran capital last Tuesday. At the meeting, the four diplomats said it is necessary to take specific measures to slow down the arms race by fixing maximum limits to regional military growth and implementing other measures.

Carlos Jose Gutierrez defended the presence of military advisers in Costa Rica, saying it is their job to help train the Civil Guard for three contingencies: domestic subversion, terrorism, and foreign attack. He said that in view of the increased tensions in the area, training the National Guard is essential for the country's defense if it is attacked but this does not imply the training is offensive in nature.

Assembly Chairman Remarks

PA100339 San Jose Radio Impacto in Spanish 1830 GMT 9 May 84

[Text] Guillermo Vargas Sanabria, chairman of the Legislative Assembly, says that the U.S. embargo against Nicaragua is untimely and could be more harmful than beneficial.

[Begin recording] I think that the embargo is untimely and should have never been implemented against a Central American country such as Nicaragua. The benefits for the United States under the current circumstances are more than forfeited by the harm done.

The reason for this is obvious. A similar situation occurred many years ago in the case of Cuba. When Cuba felt it was (?alone) and isolated, it had no choice but to resort to socialist countries behind the Iron Curtain. These countries strengthened Cuba with everything possible and supplied that country with equipment, medicines, and toos. In addition, Cuba received arms until it became what it is today.

We (?face) a similar situation. The United States should have tried a more rapid rapprochement with Nicaragua and averted the possibility that the country could be offered this kind of assistance. This will eventually place Nicaragua in the position of a country so pressured by the United States that it will seek the aid from other countries outside the region. Unfortunately, the situation might not be beneficial for either of it or for us as its neighbors. [end recording]

DEPUTIES OPPOSE PRESENCE OF U.S. ADVISERS

PA091646 San Jose Radio Reloj in Spanish 1200 GMT 8 May 85

[Text] Some deputies have declared their opposition to the arrival of approximately 20 U.S. military advisers to the country, according to reports carried by the national news media.

Ardon Ramirez [of the Revolutionary Movement of the People] said he was surprised at the number of advisers because in El Salvador, where a civil war is being waged, there are 60 such military advisers.

Deputies Ferreto Segura [of the Popular Vanguard Party] and Rodriguez Solorzano also came out against their presence. The former said that what our rural and civil guardsmen will learn is how to shoot the peasants and workers when they request better living conditions.

EL SALVADOR

DUARTE RECEIVES FMLN-FDR RESPONSE ON TALKS

PA111557 Paris AFP in Spanish 1516 GMT 11 May 85

[Text] San Salvador, 11 May (AFP) -- The Salvadoran church has delivered to Salvadoran President Jose Napoleon Duarte the official response of the FMLN-FDR to his proposal to hold private talks before the third dialogue meeting between the two parties.

Auxiliary Bishop Gregorio Rosa Chevez specified that the document, whose content he did not disclose, was delivered yesterday afternoon. He noted that the mediating role of the church in the process is essentially that of serving as a means to exchange documents.

However, the guerrillas have defined their position on the private talks; they believe the meetings should be held openly, as with the previous meetings in La Palma and Ayagualo.

FMLN KIDNAPS THREE MAYORS; ANOTHER STILL MISSING

PA082306 San Salvador LA PRENSA GRAFICA in Spanish 7 May 85 pp 2, 63

[Excerpt] Three mayors of towns in Morazan, La Union, and San Miguel Departments have been kidnapped by FMLN terrorists during the past few hours. Another mayor, who was kidnapped on Friday, 3 May, has not appeared, according to official sources.

Sixty-year-old Ciriaco Hernandez Corea, Christian Democratic Party mayor of Yoloaiquin, Morazan Department; 38-year-old Antolin Munoz Canales, Nationalist Republican Alliance [ARENA] mayor of El Sauce, La Union Department; and Santo Velasquez Ramos, National Conciliation Party [ARENA-PCN] mayor of San Luis de la Reina, San Miguel Department, were forcibly taken from their houses at night over the weekend.

GUATEMALA

ORPA OCCUPIES STATION, AIRS ANTIGOVENRMENT MESSAGE

PA122156 Panama City Acan in Spanish 2138 GMT 12 May 85

[Text] Guatemala City, 12 May (ACAN-EFE) -- A guerrilla group of the Revolutionary Organization of the People in Arms [ORPA] occupied the installations of Radio Frontera in the western Department of San Marcos to broadcast an antigovernment message, the local press reported today.

The newspaper PRENSA LIBRE indicated that yesterday the rebels forced the personnel of that radio station to air a proclamation against the military government of General Oscar Mejia Victores which lasted approximately 30 minutes. The rebels warned that they would set off a bomb if government security forces interrupted their action at Radio Frontera. In their meesage the rebels gave their version of the armed clashes that have occurred over past weeks against the Guatemalan Army. The ORPA members left the station without interference and fled toward the mountains of San Marcos Department on the border with Mexico.

ORPA is one of the four guerrilla groups that form the so-called Guatemala National Revolutionary Unity (URNG).

NICARAGUA'S JOSE TALAVERA ON U.S. EMBARGO

PA100425 Guatemala City Radio Nuevo Mundo in Spanish 1100 GMT 9 May 85

[Text] The international community appreciated Guatemala's neutrality regarding the Central American conflict, Jose Leon Talavera, Nicaraguan deputy foreign minister, said yesterday in Guatemala City. We appreciate Guatemala's position especially when the war drums are beating and the U.S. Government is talking about aggression and military intervention, said Talavera. The fact is that the Guatemalan Government has maintained a constructive attitude all along in favor of a dialogue and of negotiations to achieve a civilized solution to the problems in Central America, he added. Our government has analyzed the Guatemalan Government's position and it has reached the conclusion that Guatemala's position is sincere and constructive.

Talavera is heading a Nicaraguan official delegation that is visiting Central America to explain to regional governments the Nicaraguan Government's position regarding the economic embargo imposed by the U.S. Government. The embargo is another example of the aggression unleashed by the U.S. Government against Nicaragua while refusing to hold a dialogue or negotiate to try to solve our differences, said Talavera. The Nicaraguans are optimistic about finding a solution to the economic embargo that has been unjustly imposed on us by the U.S. Government, he said. We realize that the embargo is going to affect Nicaragua's economy, particularly those industries that depend on the United States for their technology and supplies. Meanwhile, we are going to try to solve the problem with the aid of other friends in the international community, Talavera added.

Talavera said that his country maintains friendly relations with other countries despite their ideologies, and that his country is seeking new markets for its products. Talavera stated that the Nicaraguan people and government will demonstrate their capability and resistance to U.S. aggression against our country.

Talavera also said that the international community has condemned the embargo imposed on Nicaragua by the U.S. Government. For example, the EEC and the Contadora Group governments are absolutely against the measure. As a matter of fact, all of Latin America, with the exception of Honduras and El Salvador which have expressed views in favor of the U.S. Government, has expressed disapproval of the U.S. embargo. The economic embargo has also been unanimously rejected by the international community.

HONDURAS

SANDINIST ARMY ENTERS TERRITORY NEAR EL ARENAL

EPS Clashes With Contras

PA101449 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 9 May 85

[Text] According to Foreign Secretary Edgardo Paz Barnica, the National Security Council has declared itself in permanent session in view of a clash in Honduran territory between Nicaragua's Sandinist People's Army [EPS] and the anti-Sandinist rebel forces, which left a toll of 30 dead. The clash reportedly took place Sunday along a 40-km stretch of the border near the town of El Arenal, El Paraiso Department, some 100 km southeast of Tegucigalpa where, according to UPI, a base of the anti-Sandinist Nicaraguan Democratic Force, FDN, is located.

To review the situation President Roberto Suazo Cordova held an emergency meeting with the other members of the Security Council: General Walter Lopez Reyes, Armed Forces commander in chief; Foreign Secretary Paz Barnica; and the commanders of the various Armed Forces branches. Paz Barnica said that this was a harassment offensive by the EPS. Reports indicate that, in addition to the 30 who died, an undetermined number of fighters were wounded and that some of them were taken to hospitals in Danli, 95 km east of the capital.

Following the 3-hour meeting of the Security Council, the foreign secretary said that it was made clear that the government and the Armed Forces will continue to defend the country's integrity and will protect the Honduran population. There is no doubt that there was an incursion by the EPS, he said, but he denied that EPS force are still inside Honduran territory. He said that the report that the EPS is holding 40 km is false.

Correspondents for radio stations in the area said that hundreds of residents have left the area to seek refuge in other communities inside Honduran territory. Hours before, it was reported that the Honduran authorities were still investigating the alleged incursion by Nicaraguan troops into Honduran territory to engage in a battle with Nicaraguan rebel groups, a battle in which 30 fighters allegedly died. The clash is said to have taken place on Sunday in El Arenal, El Paraiso Department, Honduras, between the EPS and members of the FDN.

A Honduran Armed Forces spokesman said he could not confirm the clash but that investigations are under way. Journalistic sources indicated that Nicaraguan soldiers entered Honduran territory along a 40-km stretch of the border through El Paraiso Department, some 100 km southeast of Tegucigalpa, where the rebels who are trying to overthrow the Nicaraguan Government are operating.

EPS Attacks Border Forces

PA102327 Tegucigalpa Domestic Service in Spanish 2225 GMT 10 May 85

[Telephone report by Martin Baide Urmeneta]

[Text[We have some last minute information from a reliable source that a Honduran military patrol was treacherously attacked at 1100 this morning by forces of the Sandinist People's Army [EPS] in Honduran territory at the place known as Boca el Arenales in El Paraiso Department. The attack took place when units of the 6th Infantry Battalion of the Honduran Armed Forces were engaged in patrol activities within Honduran territory at Boca el Arenales. A large EPS force launched a surprise attack against the Honduran forces and inflicted five casualties, including one dead and four wounded, according to the brief report received thus far. We expect this report to be expanded this afternoon or tonight by the Honduran Army Command through the Armed Forces Public Relations office.

We repeat: At 1100 this morning EPS forces attacked a Honduran military patrol in Honduran territory at the place known as Boca el Arenales in El Paraiso Department inflicting five casualties on the Honduran forces, including one dead and four wounded. We expect this information to be expanded in the next few hours by official sources.

This incident seems to be related to the invitation made to the Nicaraguan ambassador to appear before the Honduran Foreign Affairs Ministry. We will expand on this once we receive more details.

Protest Note Issued

PA111443 Tegucigalpa Domestic Service in Spanish 1130 GMT 11 May 85

["Text" of Foreign Secretariat protest note to the Nicaraguan Foreign Ministry regarding the recent border incident in El Arenales, presented to the Nicaraguan ambassador to Honduras on 10 May]

[Text] Mr Minister, I address Your Excellency on the serious aggressions that the Sandinist People's Army [EPS] is carrying out which has inflicted serious harm on the Honduran people on the eastern border between the two countries. Yesterday, I met in my office Nicaraguan Deputy Foreign Minister Jose Leon Talavera. During this meeting, and within the context of a conversation on regional and bilateral matters, I informed him on behalf of the Honduran Government -- so that he could inform Your Excellency's government -- that the attitude of moderation adopted by my country in response to incidents such as those mentioned should not be understood as an expression of weakness because the Honduran Government and Armed Forces are determined to reject any actions of aggression such as those pointed out, and would do so in legitimate self-defense; this is internationally accepted.

Today at 1100 in El Arenales, four Hondurans were wounded and one killed as a result of attacks with heavy weapons by EPS troops. These five persons belonged to a border checkpost within Honduran territory. The man killed was a soldier, and the wounded included three soldiers and one noncommissioned officer of our Armed Forces. In addition to this criminal action, we must point out that destruction is being inflicted on towns and that there is a massive flight of Honduran people who are victims of the actions I have referred to.

The Honduran Government strongly protests these aggressions and reaffirms its determination to defend its territorial integrity and national sovereignty. Your Excellency must understand that actions such as these, implemented by the Nicaraguan Government, worsen the regional crisis in Central America, block the good intentions of the Contadora Group's peace efforts, and serve to generalize a conflict that the Honduran people and government do not desire because they believe that such conflicts should be resolved through peaceful and civilized means as established by international law.

I take advantage of this opportunity to reiterate my regard for you.

[Signed] Edgardo Paz Barnica, foreign secretary

Paz Barnica Meets With Press

PA110127 Tegucigalpa Radio America in Spanish 2310 GMT 10 May 85

[Press conference granted by Foreign Secretary Edgardo Paz Barnica; questioners not identified; date and place not given -- recorded]

[Text] [Paz Barnica] A few minutes ago I delivered a diplomatic note to the Nicaraguan ambassador accredited in our country strongly protesting the facts you already know about since you have been given copies of the note. These incidents took place at approximately 1100 today in the town of El Arenales. As a result of harassment and armed aggression by the Nicaraguan Army, four Hondurans were seriously wounded and one Honduran died. They were all members of a border watch post on Honduran territory.

These incidents have become more acute in recent days since in the past few days the Nicaraguan Government, through its Army, has been carrying out acts of aggression in the border area, using heavy weapons, harming the Honduran population -- which has had to move en masse to other areas, committing acts of destruction, and provoking a situation that could lead to conflict if the Nicaraguan Government does not think carefully about this situation. I do not understand why the Nicaraguan Government, which has so many domestic and international problems, is now increasing its aggression against neighbor countries.

You know that the United States has declared an embargo that places Nicaragua in a difficult position. In this regard, the Honduran Government has adopted a position in line with its interests, has viewed the embargo as part of the bilateral relations between the United States and Nicaragua, and has reiterated that the Honduran Government will contribute to all efforts aimed at the democratization of Nicaragua and any other Central American country or any region in the world.

In Nicaragua there is a domestic struggle that is of a political and military nature with Nicaraguans fighting Nicaraguans in Nicaraguan territory. Now, instead of promoting an attitude of detente and understanding, criminal actions like the one we have denounced today emerge.

As you know, yesterday we received Nicaraguan Deputy Foreign Minister Dr Jose Leon Talavera with whom we, and the advisers at the Foreign Ministry, discussed regional and bilateral issues. I told Dr Talavera that Honduras' moderate attitude should not be viewed by the Nicaraguan Government as an attitude of weakness since the Armed Forces are clearly and firmly determined to defend national sovereignty and integrity, rejecting -- by any suitable means -- all acts of aggression and exercising the right to self-defense, which is internationally recognized in the UN and OAS Charters. The fact that we talked with the deputy foreign minister of Nicaragua yesterday demonstrates that Honduras has an open attitude, an attitude of understanding.

However, acts of aggression by Nicaragua against a neighbor country such as Honduras only serve to aggravate the situation. We have sent a copy of this protest note to the foreign ministers of the four countries that compose the Contadora Group. We also sent copies to our ambassadors at the United Nations in New York and at the OAS in Washington so that the situation is officially reported to these two organizations, one of which is a world organization and the other a regional and inter-American organization.

We are also sending copies to the diplomatic representatives accredited in Honduras and to our diplomatic representatives accredited abroad.

I do not understand the Nicaraguan Government's attitude because they have so many problems -- which have become increasingly acute domestically and internationally in recent weeks -- and it still looks as though they want this to happen: to launch aggressions against countries such as Honduras, which has clearly demonstrated to the Nicaraguan authorities that it is trying to find a peaceful solution to the Central American crisis through the framework of the Contadora Group. I believe that Nicaragua is the headache of the Contadora Group and that it represents a factor of discord, unrest, and a threat to peace, democracy and security in this region.

[Question] Mr Foreign Secretary, was the Sandinists' fire answered by the Honduran vigilance corps members who were wounded?

[Paz Barnica] As of yesterday afternoon, the Honduran Government and Armed Forces had not ordered a large-scale deployment of troops toward that sector. I understand that a deployment was not ordered this morning either. Logically, the appropriate preventive measures are being taken to comply with the terms stated in the protest note. The Nicaraguan ambassador told me that he was going to take the note and transmit it to his government. Then, he would wait for a reply so that he could transmit it to the Honduran Government.

[Question] To what extent will Honduran-Nicaraguan relations deteriorate with these kinds of situations which keep a large population in the border area under great tension? Some have even begun to flee, traveling to several sectors.

[Paz Barnica] Exactly you are right. We have already explained those facts. We explained them again yesterday and we have stated this to the Nicaraguan Government. I do not believe that relations between two countries can improve with acts of this kind. Instead, they may worsen and become even more critical. The Honduran Government hopes that the Nicaraguan Government reflects so that the situation can be normalized. However, as long as this conflict prevails, as long as they assume this aggressive attitude, as long as they prefer to provoke controversies, we can assume that Nicaragua wants to go down in history for its irresponsible acts and for provoking an even worse crisis in Central America. The Honduran Government and people do not want this crisis. We believe that the situation should be solved through civilized means, through the channels for a peaceful solution offered by the norms of international law.

[Question] Mr Foreign Secretary, the ambassador said in his reply that ...[rephrases] mentioned the presence of contras in this zone. He said that there will be clashes as long as these contras remain there.

[Paz Barnica] I understand that the clashes are taking place in Nicaraguan territory. Deputy Foreign Minister Talavera told me there was a seriou conflict in his country. However, the so-called contras have not been able to take over even the smallest municipality in Nicaragua thus far. In addition, a war situation prevails there. This means that an internal conflict prevails, if we are to judge by the terms used by a high-level Nicaraguan Government official such as Deputy Foreign Minister Jose Leon Talavera. Therefore, if they have a conflict and the Nicaraguan Government launches the Sandinist People's Army [EPS], in a large-scale offensive with heavy weapons against the Nicaraguan rebels, I understand that the rebels will flee into Honduran territory. This provokes situations like the one reported today.

[Question] But Honduras barely has 120 military members; how can this be strengthened? What are the instructions issued in this regard?

[Paz Barnica] Well, don't you know how to strengthen a group of 120 persons? Simple: By sending more military personnel to fulfill their constitutional duties.

[Question] Excuse me, I think that what I mentioned yesterday regarding vigilance in the zone is important because as long as the contras stick to the border, the people must flee from the zone. Since the army chases them into the zone, this creates some problems for us. It would be advisable if the Contadora Group were to find the mechanisms...

[Paz Barnica, interrupting] We are urging the Contadora Group to adopt serious pledges and it is willing to do so. However, this involves complex negotiations and these negotiations will take time. I hope that the meetings to be held on Tuesday by plenipotentiary representatives will step up these mechanisms as long as the pledges include everyone and the Nicaraguan Government fulfills the pledges assumed in a general agreement for peace and cooperation in Central America. These pledges include putting a stop to the rash arms buildup, reducing the number of foreign military advisers, reducing the number of weapons and military members, and restoring the balance of security in the Central American region which has been disrupted by the Nicaraguan Government's excessive arms buildup.

[Question] If the Nicaraguan Government continues these actions would Honduras be prepared to break relations with Nicaragua?

[Paz Barnica] That depends on the circumstances. Honduras is prepared to attain peaceful solutions. However, it is also prepared to reject any act of aggression, any act against our national dignity and the integrity of our country.

[Question] However, Mr Foreign Secretary, what action has been taken by the Army regarding the dead member of the Honduran Armed Forces and the other wounded members? Honduras cannot let them get away with this.

[Paz Barnica] Exactly. I cannot give an opinion on that.

[Question] This cannot lead to a generalized confrontation with the Central American guerrillas because it would have to be avoided.

[Paz Barnica] This could happen. That is why this must be avoided. I think that the Honduran people should remain calm and the news media should act without creating scandals, without scandalizing the people. Instead, they should fulfill their informative role with moderation, objectivity, and clarity to benefit our national interests. Yesterday, I noticed that the statements I issued to national and foreign journalists were distorted by a member of the local news media and linked to factors that are contrary to our national interests.

[Question] Mr Foreign Secretary, following the Sandinist Army's constant penetration into our country can our country limit its actions to simple Foreign Secretariat notes and not adopt stronger, more specific actions?

[Paz Barnica] That depends on the circumstances.

[Question] This case, for example?

[Paz Barnica] It depends on the circumstances and I do not want to give an opinion on that.

[Question] Regarding the case of the counterrevolutionaries, we have testimonies because we were in the Cifuentes sector this morning. The people say that the contras are there -- for example in the sector of Boca el Arenales -- and they have camps. They are not inside Nicaragua but on the Honduran side and that is what really worries us.

[Paz Barnica] The Nicaraguan deputy foreign minister told me that an armed struggle was taking place in Nicaraguan territory with repercussions for Honduras and Costa Rica. That is a reality.

[Question] Are there many wounded contras in Honduran hospitals right now in addition to the other...

[Paz Barnica, interrupting] We talked about that topic yesterday.

[Question] Approximately 2 months ago you said that an order was issued to expel the contras. Did they really leave our country?

[Paz Barnica] I said, and I reiterate, that the Honduran Government has adopted (?that measure) and continues the clear determination that foreigners who abuse the country's laws should be sanctioned according to national laws. That is all.

Nicaraguan Envoy Discusses Incident

PA110223 Tegucigalpa Radio America in Spanish 2305 GMT 10 May 85

[Interview with Nicaraguan Ambassador to Honduras Danilo Abud by unidentified questioners "as the ambassador was leaving the Office of the Foreign Secretary a short while ago" -- recorded]

[Text] [Question] What contribution can you make so that the Sandinist Army does not continue entering Honduran territory as it has done, according to charges by our foreign minister?

[Abud] I have not received any information on this from my government. I have told the foreign secretary and I repeat it now that I will pass the note that was given to me by the foreign secretary to my government and wait for instructions. At the proper time, I will respond to you according to those instructions.

[Question] Mr Ambassador, Do you think this incident could endanger relations between Honduras and Nicaragua?

[Abud] Relations are endangered whenever there is a situation of tension between two countries. The presence of the counterrevolutionaries in the border region has been an element of tension. We have always told the Honduran Government of the importance of taking efficient measures to control the activities of the counterrevolutionaries who are using Honduran territory because as long as the U.S. decision to use Honduran territory for the Somozist guards so they can attack Nicaragua persists, we are going to continue defending our territorial integrity.

'Military Emergency Zone' Declared

PA110407 Paris AFP in Spanish 0315 GMT 11 May 85

[Text] Tegucigalpa, 10 May (AFP) -- It was officially reported that the Armed Forces declared a broad sector of El Paraiso Department in the country's eastern area a "military emergency zone" today as a result of "grave actions" carried out by the Sandinist Army. In addition, the high command has ordered the 110th Infantry Brigade, which is in charge of the region, "to prevent military raids or actions in Honduran territory through the special defense operations of its units."

In a bulletin disseminated tonight, the Armed Forces added that the purpose of these operations is "to restore normalcy and provide security and guarantees for the area's residents." Several thousand local residents, who have denounced the presence of the counterrevolutionaries, began a mass exodus Saturday as the result of indiscriminate attacks by Sandinist troops, according to reports. The bulletin asserted that at 1100 today a clash ensued between a Honduran military detachment and Sandinist troops in the Boca de Arenales community, approximately 2 km from the Nicaraguan border, which resulted in "one dead and four wounded" on the Honduran side. The communique added that "the Honduran detachment's commander could not ascertain the number of Sandinist casualties."

Foreign Secretary Edgardo Paz Barnica reported today that a Honduran soldier died and four of his comrades were wounded at the same location when they were hit by heavy Sandinist artillery fire.

Based on this information, the Foreign Secretariat issued a protest note addressed to Nicaraguan Foreign Minister Miguel D'Escoto which was delivered to Nicaraguan Ambassador Danilo Abud by Foreign Secretary Paz Barnica. Finally, the Armed Forces revealed that "given these and other grave actions carried out by the Sandinist Army in that region, the sector between Cifuentes and Arenales has been declared a military emergency zone along a 60 km stretch of the border with Nicaragua."

GOVERNMENT TO DEMAND NICARAGUAN DEBT IN DOLLARS

PA100304 Tegucigalpa Domestic Service in Spanish 1130 GMT 9 May 85

[Excerpt] The Honduran Government will demand that the Nicaraguan Government pay its 80 million lempiras debt with our country in dollars, according to Gonzalo Carias Pineda, president of the Central Bank of Honduras [BCH].

[Begin recording] [Carias] Nicaragua currently owes us $40 million. That is the result of the balance from the compensation chamber. This debt has been increasing since 1982, when they only owed us $13 million until it reach the $40-billion figure. We are deeply concerned because Honduras is currently selling electricity to Nicaragua and Costa Rica. The problem is that following the inauguration of the El Cajon hydroelectric dam's installations, we are selling electricity to Costa Rica; since the lines pass through Nicaragua, we must sell electricity to Nicaragua. We are going to make arrangements so that they pay us for that electricity in dollars.

[Reporter] Will the U.S. embargo against Nicaragua affect the trade relations between that country and ours?

[Carias] I think that the effects will be slight and indirect because we have not had what you might call open trade relations with Nicaragua for some time due to payment problems. In other words, we have been exporting very little to Nicaragua. Our trade, including imports and exports, with Nicaragua totals approximately $15 million. If they pay us in dollars we will continue to sell them our products.

[Reporter] Due to the trade embargo, do you think Nicaragua will not pay us the $40 million?

[Carias] No. We have documents and the transactions were made through the BCH where we are quite serious and cold regarding monetary matters. I repeat: If they want to continue purchasing our products we will demand that they pay us in dollars. Then, we will gladly sell to them. Our main problem is selling our products. [end recording]

NICARAGUA

PRESIDENT ORTEGA CONTINUES EUROPEAN TOUR

Visits Poland

PA100340 Managua Radio Sandino Network in Spanish 1200 GMT 9 May 85

[Text] Commander of the Revolution Daniel Ortega Saavedra, president of Nicaragua, asserted yesterday in Poland that the Nicaraguan people are ready to find peace with the United States, but they are also ready to resist and fight against the Reagan administration's aggressive, terrorist policy. Following a tour of the Nazi concentration camp at Majdanek where the diabolical fascist mentality established methods of torture and killed more than 300,000 persons, Commander Ortega said that President Reagan wants to turn Nicaragua into a huge concentration camp and kill the Nicaraguan people through starvation, or with bullets and bombs. Reagan wants to do what the fascists did; they incarcerated, killed, and repressed approximately 3 million people. We are not surprised by his attitude because he has already placed wreaths at the tombs of those who killed children in the very same concentration camps, said Commander Ortega.

President Ortega urged Reagan to reflect, stop acting like a fascist, really search for a solution to the problems, and stop assassinating the Nicaraguan people by embarking on crusades to support crimes against Nicaragua. Finally, Commander Ortega said: We can find peace. However, as long as President Reagan considers the former Somozist guards his brothers, visits the tombs of his other brothers at the Bitburg Cemetery, and places wreaths on the graves of Nazi criminals, we will be heading toward an abyss. We would not be surprised if he intervened in Nicaragua soon with his troops.

Arrives in GDR

PA101414 Managua Domestic Service in Spanish 0300 GMT 10 May 85

[Report by unidentified reporter from the Presidency of the Republic in Managua -- recorded]

[Text] The Nicaraguan delegation headed by President Daniel Ortega arrived today in the GDR capital of Berlin, one of its stops during a tour through several European countries. The Nicaraguan president was greeted at the airport by Egon Krenz, member of the Politburo of the Socialist Unity Party of Germany [SED] and deputy chairman of the German State Council. Immediately thereafter the delegation was received by Erich Honecker, general secretary of the SED and chairman of the State Council, with whom it met for more than 1 hour. During the meeting the two parties exchanged views on the world political situation and the efforts to guarantee peace and eliminate the threat of war, particularly inthe Central American area. They discussed Nicaragua's economic problems in the light of the U.S. trade embargo against Nicaragua, which the German leader emphatically condemned. Honecker pledged to maintain and increase the GDR's technical and economic assistance to Nicaragua and proved to have a very good grasp of the situation that Nicaragua is currently experiencing.

President Ortega will hold a press conference with members of the local and foreign press tomorrow, during which he will report on the results of his visit to the GDR.

Scores U.S. Policy

PA101421 Managua Domestic Service in Spanish 0300 GMT 10 May 85

[Text] Berlin -- Nicaraguan President Daniel Ortega has reaffirmed his country's desire for dialogue and negotiation during the first day of his GDR visit. During a dinner that Erich Honecker, general secretary of the Socialist Unity Party of Germany, SED, hosted to honor Ortega, the Nicaraguan president predicted the defeat of the U.S. Government's policy of aggression against the Sandinist people's revolution. Our people, he stressed, obtained their freedom at the price of 50,000 lives. They will continue scoring victories against the U.S. Government despite the sacrifices of not only the valuable lives of our fighters, but those of helpless old people, women, and children, who are the victims of the counterrevolutionaries that are urged on, armed, and financed by Washington, Commander Ortega told Erich Honecker.

Condemns U.S. Embargo

PA121334 Managua Domestic Service in Spanish 0300 GMT 11 May 85

[Text] East Berlin -- Washington's terrorist policy was condemned today by Nicaraguan President Daniel Ortega upon the conclusion of an official 2-day working visit to the GDR. The embargo decreed by the United States against Nicaragua is a hard blow against my country, Ortega said during a press conference. He underscored that this measure will have grave consequences for the Nicaraguan economy because our production sector depends heavily on U.S. technology and products. Spare parts for all machinery, particularly in agriculture, will have to be purchased elsewhere at much higher prices, the Nicaraguan president explained.

Ortega attacked President Ronald Reagan, who wants to compete with Hitler, he said. We are in a real war situation because Reagan's policy is aimed at killing the Nicaraguan people, he added. Asked about the support given by socialist countries to Nicaragua, Ortega refused to specify the amount of that support. Do not think that this aid will allow our country to enter an era of abundance or solve all our economic problems, Commander Ortega concluded.

Visits Spain

For Madrid coverage of the visit to Spain by President Daniel Ortega including his meetings with Spanish Prime Minister Felipe Gonzalez, see the Spain section of the 13 May Western Europe DAILY REPORT and subsequent issues.

Comments on Cubans Withdrawing

PA130102 Managua International Service in Spanish 0000 GMT 13 May 85

[Text] Nicaragua is prepared to withdraw 700 Cuban military specialists if all foreign advisers leave Central America. Nicaraguan President Daniel Ortega Saavedra said today in Madrid that the first 100 Cuban military advisers have already withdrawn from our country as a demonstration of our desire for peace in Central America. Commander Ortega said that the United States has converted Honduras into a base of operations for U.S. troops.

Companero President Ortega, dressed in civilian clothing, was interviewed by the EFE News Agency. He said that our people are obliged to dress in olive drab by the circumstances of the aggression and that we hope that peace will return so that we can take it off.

To Visit Other Countries

PA120401 Managua Radio Sandino Network in Spanish 0000 GMT 12 May 85

[Text] The president of Nicaragua, Commander of the Revolution Daniel Ortega Saavedra, after visiting Spain, will leave Monday for France, Italy, Sweden, and Finland, where in addition to explaining his country's situation in the face of the boycott decreed by the Reagan administration, will discuss bilateral economic and commercial agreements.

In this respect, during a press conference in Madrid, Commander Ortega Saavedra noted that since Nicaragua is a free nation, its officials do not have to request permission from anyone to visit any country in the world. He made this statement due to the reaction in Washington official circles to his recent visit to the USSR and other socialist nations. Our relations with the USSR and other socialist nations are very close and within the framework of mutual respect. We would like to have such relations with the U.S. Government, the Nicaraguan head of state concluded.

DEPUTY MINISTER SEEKS AREA SUPPORT AGAINST EMBARGO

Visits Guatemala

PA091843 Managua Domestic Service in Spanish 0300 GMT 9 May 85

[Text] Nicaraguan Deputy Foreign Minister Jose Leon Talavera is touring the Central American countries to explain the country's position in view of recent events. This was announced in a communique issued by the Foreign Ministry. The purpose of the deputy foreign minister's trip is also to reaffirm Nicaragua's integrationist nature. Today, the high-ranking Foreign Ministry official met with Guatemalan officials. He will also travel to Honduras and El Salvador, where he will hold similar meetings.

Pays Visit to Honduras

PA102011 Managua Domestic Service in Spanish 0300 GMT 10 May 85

[Text] Nicaraguan Deputy Foreign Minister Jose Leon Talavera today briefed members of the Honduran Government on the Sandinists' position on the U.S. trade embargo against Nicaragua. Talvavera, who is touring the region to report to neighboring governments Nicaragua's stance on the embargo, arrived in Tegucigalpa at noon, after having visited Guatemala.

The Nicaraguan official met with his Honduran counterpart Tomas Arita Valle, Foreign Secretariat advisers, and Foreign Secretary Edgardo Paz Barnica.

In statements made to the press, Talavera asserted that the embargo is illegal and immoral and a reflection of the weakness of this continent's strongest power before the dignity and respect assumed by Nicaragua. He said that he is conveying a message of peace and a call to solve Central America's problems through dialogue, not force. According to Talavera, the Sandinist government is facing the embargo with a positive attitude and has found other markets to place the products that Nicaragua exported to the United States. Bananas will be sold in Europe and meat will be exported to Canada and Mexico, he said. Talavera added: We will have other suppliers of the products we imported from the United States. Central American producers who manufacture products we need will benefit from the embargo because we have cash set aside for such purchases.

The Nicaraguan deputy minister also rejected reports claiming that troops of the Sandinist People's Army have made incursions into Honduran territory to fight the Somozist mercenaries who have camps there. He said that Nicaraguan troops have not attacked Honduran communities.

Evaluates Trip

PA111846 Managua Radio Sandino Network in Spanish 1200 GMT 11 May 85

[Text] After visiting with the authorities of the Governments of Guatemala, El Salvador, and Honduras and their private sectors, Nicaraguan Deputy Foreign Minister Jose Leon Talavera said he found a positive response because these countries are not willing to join in the U.S. President's commercial embargo against Nicaragua. Deputy Foreign Minister Talavera returned to Managua last night.

[Begin recording] [Talavera] We were accompanied by Deputy Foreign Trade Minister Orlando Solorzano, who remained in Tegucigalpa. He held various contacts with the economy ministries in those countries and with their private sectors. In general, we obtained a positive response in the sense that although from a political standpoint those governments have identified with the measure, in practice none of them is willing to join in the embargo. In other words, each of these countries reiterated to us that the commercial ties and activities of the past will continue. We took a message to the Central American countries to the effect that the economic blockade will force us to redirect some of our imports, many of which will be available in Central American markets. In this manner we will be providing incentives to several companies and industries which, as a result of the current international crisis, are not too active at present.

[Reporter] Were there any reactions by certain sectors, specifically the Central American private sector, in connection with the blockade?

[Talavera] As I have said, it was generally reiterated that Reagan's measure will not be backed by Central American countries and that trade with these countries will continue developing normally. We emphatically warned these governments and the other sectors with which we held contacts about the very grave consequences of backing officially and in practice the measure decreed by the U.S. Government.

There is no doubt that international condemnation of this repressive measure by the U.S. Government has made the Central American governments reflect, especially those governments which have been most subordinated to U.S. policy and interests in the region.

However, we do not discard the possibility that after many years of being used as instruments, new sectors in these countries will begin to pressure for the recovery of their true national interests.

In this regard we reiterate Nicaragua's willingness to sign immediately the juridical instruments that have been formulated within the framework of the Contadora Group's negotiation, expressing our interest in finding a peaceful and negotiated solution in keeping with our people's current demands. [end recording]

MINISTRY CLAIMS HONDURAN ARMY WEARS EPS UNIFORMS

PA100241 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 9 May 85

[Text] The Honduran Army has been wearing Sandinist People's Army [EPS] uniforms to confuse the Honduran people and provoke a conflict between the two countries. This fact has had international repercussions since it was published by the international news agency AFP. The agency states that the Nicaraguan Army occupies positions along approximately 40 km in Honduran territory. This information confirms the Nicaraguan Foreign Ministry's announcement in a protest note addressed to the Honduran foreign minister. In this way Honduras has been playing along with the U.S. Government, which tries to create a war conflict between the two countries, thus facilitating a military intervention in Nicaragua.

AFP: SMP TO SUSPEND SUMMONS FOR 2 MONTHS

PA110203 Paris AFP in Spanish 0001 GMT 11 May 85

[Text] Managua, 10 May (AFP) -- A Defense Ministry spokesman reported that during the next 2 months the ministry will suspend summoning youths to join the Patriotic Military Service [SMP].

Lieutenant Guillermo Gonzalez, from the Defense Ministry's Public Relations Department, told AFP that the measure seeks to allow the SMP authorities to "plan future summons." Gonzalez denied newspaper reports circulating in the United States that the recruitment of youths will be suspended. Gonzalez stated that the summons will probably resume after the month of June. The ministry's spokesman said that currently the Army is "recycling" those Nicaraguans who have joined the Army in compliance with their duty.

The SMP was put into force in Nicaragua on September 1983, and it calls to active duty all those youths between the ages of 17 to 25. To date, 30,000 youths have joined the Sandinist People's Army ranks. It was recently announced that Nicaraguans between the ages of 26 to 40 would also be incorporated into the reserve battalions.

The military service law has generated a wave of protests among sectors opposing the government that insist on pointing out that the draft "forces Nicaraguans to defend the interests of one party." With the implementation of the first summons, incidents were reported in several communities as groups of mothers clashed with the authorities to prevent their children from being sent to the war fronts. The draftees receive 3 months of training and are then sent to conflict zones to fight against rebel groups striving to topple the Managua regime.

COMMUNIQUE SETS TASKS TO CONFRONT U.S. EMBARGO

PA102142 Managua Radio Sandino in Spanish 1945 GMT 10 May 85

[Text] Acting President Sergio Ramirez Mercado read a new government communique this morning establishing the new essential tasks that the people have to confront the criminal commercial embargo imposed on our country by the United States. These are the tasks issued by the revolutionary government and directorate.

[Begin Ramirez Mercado recording] The essential tasks that the Nicaraguans have at this time are:

1. To achieve effective systems for the distribution of basic goods so that they will reach the population with (?justice).

2. To achieve greater norms of productivity in all of the country's production centers.

3. To concentrate on saving supplies, raw materials, and fuels, and taking care of the production plants, machinery, and tools.

4. To give a national and determined push to the movement of innovators and to the organized production of spare parts and tools.

5. To rationally use the medicines, medical equipment, and other resources and installations related to the social service.

6. To promote plans for food production in work centers, communities, and homes.

These are the measures by the sectors:

1. Food Production: The production of basic grains will be promoted on the agricultural complexes, ranches, and farms to achieve the workers' self-sufficiency. Firm support will be given to community and family gardens with emphasis on semiperennial products such as cassava, plantain, and other crops that do not present technical difficulties. Wherever possible the irrigation infrastructure will be used for the production of basic grains. Supplies and credits will be guaranteed for small- and medium-sized agricultural production to produce food. The rural trade network and the supply of rural products will be strengthened. The storage system for perishable products will also be strengthened.

2. Supply: A consumers registry will be prepared for the Pacific area in order to effectively facilitate the distribution of basic products. Production centers for basic products, both agricultural and industrial, will place all of their production at the disposal of the Interior Trade Ministry via contract. The payment of salaries for production center workers will no longer be made by check so that all production may be handled through the appropriate official channels. Basic consumer goods will no longer be marketed through the parallel market. The Interior Trade Ministry will be given all of the necessary laws in order to effectively counter hoarding and speculation on products, and any illicit commercial activity. The distribution system for commissaries will be reorganized at the production centers. Popular organizations such as Amnlae [Luisa Amanda Espinoza Nicaraguan Women's Association] will carry out a permanent campaign to reduce the use of imported products for the family's consumption and to take better care of electric appliances. Likewise, an effort will be made to recover the cultural roots of popular consumption and craftsmen's production for public use.

3. Machinery and Spare Parts: The innovators movement will be definitely supported with material benefits for the production of equipment. The Industry Ministry has already begun preparing a national inventory of machinery, tools, and workshops that manufacture spare parts in the country in order to organize a national enterprise for the manufacture of spare parts, supported by the innovators.

The ministries that require or produce spare parts will proceed to create groups specifically involved in this problem, and the technical education institutes will also participate in this effort with their installations. The creation of this enterprise does not necessarily mean a bureaucratic growth by the state. The maintenance, cleaning, inspection, and care of all kinds of machinery must be organized as a creative and competitive task. The organization of small, private mechanical shops in cooperatives will be supported so that they may receive their supplies and technical training in a much more organized way. The Transportation Ministry will proceed to create a spare parts bank, mainly from discarded vehicles. A centralized market of automotive parts will be created in Managua for the private sector.

4. Exports: All of the necessary measures, prices, credits, and supplies of raw materials will be immediately enforced to guarantee the harvest goals scheduled for the 1985-86 period. The deposit certificates in dollars [words indistinct] issued to private producers will be immediately cashed by the Central Bank of Nicaragua. A partial payment in foreign exchange will be guaranteed for agrarian and industrial production exporters for a yield that exceeds their production norms. The revolutionary government will closely collaborate with export producers to search for alternatives for the imports of raw materials, products, and spare parts that were formerly purchased in the United States.

5. Electricity and Fuel: It will be necessary to increase our savings in electricity and fuel. We must remember now more than ever that Nicaragua is not an oil-producing country. We must exert ourselves to reduce our imports. It will also be necessary to redouble efforts for the adequate maintenance of vehicles, air conditioners, and so on.

6. Health: Lastly, it will be necessary to use our material resources for health, medicines, medical equipment, disposable materials and hospital installations more efficiently and rationally in an attempt to economize. This task will be particularly carried out by all of the health workers.

The revolutionary government hereby issues a call to doctors and other professionals in the health sector to face and help, with a patriotic responsibility, in overcoming the problems that the U.S. embargo is posing for Nicaragua in the health sectors. Our specialists now, more than ever, have an essential role to play.

This is an extensive call that the revolutionary government is making to all professionals and technicians who, in their various specialties, work for the country's development. In all of the tasks just mentioned, there must be a high degree of discipline, savings, austerity, and the economizing of resources. In these tasks all of the officials of the revolutionary government, as well as the leaders, militants, and cadres of the FSLN must be the first to act as examples. With the unity, courage, and energy that all Nicaraguans -- put to test at this crucial hour -- have, we are sure that we will defeat this new attempt by the U.S. Government to dominate Nicaragua.

DECREE ON FOREIGN CURRENCY EXCHANGE RESCINDED

PA102247 Managua Domestic Service in Spanish 2145 GMT 10 May 85

[Text] Here is a report from this station's news department:

Using his legal power, Nicaraguan President Daniel Ortega Saavedra, commander of the revolution, decrees the following: Article 1. Decree No 1373 is rescinded.

We repeat: Decree No 1373 is rescinded. In other words, Article No 1373 relating to the law on ownership, and the inflow and outflow of foreign currency. This article takes effect from the moment it is divulged by any news media. At this moment, Nicaraguan Central Bank Manager Joaquin Cuadra is reporting to the country's news media the significance of repeating Decree No 1373.

More on Foreign Exchange Rule

PA120317 Managua Radio Sandino Network in Spanish 1200 GMT 11 May 85

[Text] The regulations regarding the purchase, sale, introduction, possession, and withdrawal of foreign exchange state that individuals or corporations residing in the country, either Nicaraguans or foreigners, will be able to enter the country and keep any amount of foreign exchange in bills, travelers checks, bank drafts, or any other negotiable document. Upon their departure, nonresidents can take up to $300 which they did not declare upon their arrival, according to the document issued by the Central Bank of Nicaragua. Nonresidents who enter the country as tourists or temporary residents due to business trips, conventions, or other activities will be able to bring and keep any amount of foreign exchange without having to convert any specific amount at the point of entry, except for the daily amounts specified by the Central Bank of Nicaragua.

Bank President Comments

PA110047 Managua Domestic Service in Spanish 2232 GMT 10 May 85

[Text] Dr Joaquin Cuadra, minister president of the Central Bank of Nicaragua [BCN], disclosed a few minutes ago the government's authorization for the black market and foreign exchange offices to operate in the country. A bulky legal document was released that we will attempt to summarize. The measure was announced approximately 5 minutes ago.

The black exchange market is hereby authorized to operate through foreign exchange offices as BCN agents in the free market. These offices will be able to handle all purchases and sales of currency not included in Articles 2-8 of Resolution [words indistinct] 1-85 of the BCN. In addition, empowered by Article 2 of Decree 332 of 11 February 1978, the BCN Board of Directors, according to regulations, will be able to determine percentages, terms, and procedures according to which currency from traditional or nontraditional, visible or invisible exports can be negotiated in the free exchange market.

Regarding exchange offices, Article 5 states: The foreign exchange offices will become corporations whose main activity will be to buy and sell foreign currency. They will act as authorized agents for the BCN. The foreign exchange offices will be able to handle all operations for currency exchange that can be effected in the free exchange market at prices determined by the free play of supply and demand.

Other articles describe the qualifications for the authorized agents to operate foreign exchange offices; namely, to deposit a satisfactory surety bond at the BCN; appoint a well-known, upright, and knowledgeable person as administrator; record the office's operations; and submit a report of the office's transactions at the times stipulated by law to the BCN.

In addition, the law refers to the ownership of exchange and reads thusly: Article 12 -- All persons, whether they are nationals or foreigners residing inside or outside Nicaragua, can own any amount of foreign exchange in the country regardless of whether the money is in the form of currency, travelers checks, bank drafts, or any other negotiable commodity, provided this money is from operations whose profits the person is not bound to negotiate in the national finance system [SFN]. This foreign currency can be kept at home or in foreign currency deposits, current saving accounts, or fixed-term accounts in any of the national banks.

The foreign currency mentioned in the previous article could only be negotiated through the national banking system or through an authorized foreign exchange office. Foreign currency can only be brought into or taken out of the country in the cases or under the terms established by the BCN.

In addition, the sending of currency abroad is also regulated. The foreign currencies mentioned in Article 12 can be sent abroad through bank transfers according to the following regulations: A) for the payment of authorized imports or open letters of credit through the BCN without any other limitation than that determined by the obligation being paid; B) through a draft purchased at a national bank to be charged to a foreign currency deposit account in the bank involved for purposes other than those indicated in A of this article for as much as $10,000 yearly or its equivalent in other currencies; C) Through drafts purchased in a foreign exchange office for purposes other than those indicated in A for an amount of $10,000 yearly or its equivalent in other currencies or any amount authorized by the BCN.

FOREIGN TRADE MINISTER DISCUSSES U.S. EMBARGO

PA092216 Paris AFP in Spanish 2107 GMT 8 May 85

[Text] Managua, 8 May (AFP) -- Nicaraguan Foreign Trade Minister Alejandro Martinez dismissed the possibility that the U.S. trade embargo will slant the Sandinist government toward the Soviet bloc.

I doubt that there will be a radical change in Nicaragua's trade balance if West Europe, the East bloc, and Latin America intensify their cooperation toward our country, Martinez said. Martinez pointed out that approximately 10.4 percent of Nicaragua's trade is carried out with Central American countries, 10.1 percent with the rest of Latin America, 26 percent with the EEC, 19 percent with the socialist countries, and 10.3 percent with Japan.

Martinez said that even before the embargo Nicaragua exported its main products -- coffee, cotton, and sugar -- to Europe, Northern Africa, and Japan, and that President Daniel Ortega is currently making the necessary arrangements in Europe to purchase fertilizers, raw material for agrochemical plants, spare parts for agricultural equipment, and food products such as wheat, corn, and powdered milk.

During a breakfast meeting with foreign journalists, Martinez seemed optimistic about Nicaragua's trade relations with the Central American countries, although they are U.S. allies. The paralyzation of the regional trade exchange -- which currently represents more than $700 million per year -- will probably also affect Honduras, Costa Rica, El Salvador, and Guatemala, whose trade must necessarily transit Nicaragua.

Martinez also stressed the role that Canada can play in absorbing products such as beef and sea food that were previously sold to the United States, as well as Mexico's role in supplying oil, elements necessary for agricultural production, and raw material for agricultural and industrial activities.

Martinez reiterated that the trade embargo will mainly affect Nicaraguan private enterprise, which controls approximately 60 percent of the national production. The fate of 45 U.S. companies that operate in Nicaragua will be known when Reagan makes the trade embargo regulations public, Martinez noted. The largest U.S. enterprise in Nicaragua is ESSO, which owns the only oil refinery in the country.

In addition, Martinez announced that in the next few days the National Assembly will begin debates on a foreign investments bill aimed at encouraging foreign capital investments. However, Martinez did not give any details on the contents of the bill or its main aspects.

HEAVY RAINS CAUSE DAMAGE, CLOSE AIRPORT

PA092018 Panama City ACAN in Spanish 1915 GMT 9 May 85

[By Denis Garcia Salinas]

[Excerpts] Managua, 9 May (ACAN-EFE) -- The rainy season has begun in Nicaragua, and it has already brought about structural damage estimated at several million dollars and additional problems in the capital's collective transportation system.

According to the Meteorological Forecast Office, the 200 mm of water that fell on the capital in the past few hours was brought about by the "advance of an equatorial thalweg (vaguada)" (extensive cloudy area), located over the Nicaraguan-Costa Rican border. The rain, which fell from 1900 on Tuesday until 0300 on Wednesday, brought about violent water currents to the extent that this morning's issue of newspaper NUEVO DIARIO stated: "It Was a Small Flood" on the front page. The rain paralyzed numerous production centers, schools, public works, as well as the Augusto Cesar Sandino International Airport. Airport installations were closed all day yesterday due to mud swept about by floodwater. This led to the suspension of all national and international flights.

VARIOUS VIEWS ON EFFECTS OF U.S. EMBARGO

Commander Tellez

PA121556 Managua Radio Sandino Network in Spanish 1200 GMT 11 May 85

[Excerpt] The economic blockade imposed by the United States against Nicaragua affects us in the short, medium, and long terms due to our great dependence on U.S. technology which we inherited at the time of the victory of the revolution, Commander Dora Maria Tellez, FSLN political secretary in Region 3, said last night as she addressed dozens of professionals, members of Heroes and Martyrs Professional Associations.

Explaining how the blockade affects us, she indicated that in the short term it will result in the suspension of Nicaragua's imports from the United States, which in turn will cause serious problems for agriculture. She added that in the medium and long terms the blockade will hit us due to our technological dependence; our country mostly uses U.S.-made machinery, and it is illusory to think we can replace it, as this would require large investments and training.

She added that the commercial embargo affects with greater force the few Nicaraguan enterprises based in the United States. She stressed that in its zeal to drown us economically and justify its desire to intervene directly, the Reagan administration may implement additional and dangerous measures. She said these measures may include a financial blockade which would call for freezing Nicaragua's accounts in the United States, or the forbidding of all U.S. companies with subsidiaries anywhere in the world from supplying us with certain materials. She added that the United States might ban the use of the dollar for carrying out Nicaragua's international transactions, freeze Nicaragua's assets in the United States, or forbid U.S. citizens from traveling to Nicaragua. Finally, the Reagan administration may break diplomatic relations in order to continue escalating the various forms of economic aggression and justify the direct intervention it wants so much.

The main task that the FSLN political secretary in Region 3 demanded yesterday from all the people was a joint effort to confront the war from every standpoint in order to find the peace that will lead to a solution of the economic crisis, now aggravated by the commercial embargo. She added that to win the war each Nicaraguan must know what to do during these difficult times. They must concentrate resources in military and productive defense; a joint, massive effort is needed to produce the staples that our people need.

Interior Minister Borge

PA121449 Managua Radio Sandino Network in Spanish 1200 GMT 10 May 85

[Text] Mexico City -- Nicaragua will not modify its national political project or its international position; nor will it allow itself to be strangled by the economic and commercial embargo decreed against it by the United States, Commander Tomas Borge, interior minister, said in statements published by the Mexican newspaper EXCELSIOR.

The U.S. boycott is immoral and illegal from all viewpoints. I believe that this measure and others adopted in the past have a similar characteristic which we have not stressed with enough force: They are cowardly measures by a powerful nation against a small one, Commander Borge said in an analysis of the consequences of the embargo on Nicaragua. He said it was an act of cowardice by a powerful nation which knows it will not be challenged economically, militarily, or in any other way, because we are in no condition to do so. Borge noted that Nicaragua does not have a powerful army or military bases like those the United States builds everywhere in the world; nor does Nicaragua have nuclear missiles with which to confront the United States.

Commander Wheelock

PA122357 Managua Radio Sandino Network in Spanish 1300 GMT 12 May 85

[Excerpts] Commander of the Revolution Jaime Wheelock Roman said yesterday that the U.S. CIA, through the LA PRENSA newspaper, in the past few weeks has carried out a destabilization campaign against our national economy. Wheelock, also agricultural development minister, stressed that this line of economic destabilization unleashed by the reactionary newspaper is an effort to create a depression in the activities of the private sector. He showed the newsmen clippings from the newspaper in question, which because of its false statements, clearly demonstrate the use of sensationalist methods to create a situation of economic chaos.

The revolutionary leader added within the same CIA effort to create confusion, there have been false rumors to create unrest among professionals.

[Being Wheelock recording] The rumors are that in the country and as a result of the embargo there is no seed for cotton, sorghum, or corn. We, of course, reject these reports. However, these reports have circulated through methods used by the CIA. Another report states that a series of fines and obligatory deposits in dollars will be imposed on professionals to prevent their leaving the country. They even say that if a doctor leaves the country he will be asked for a $3,000 or $5,000 deposit. This is absolutely false, because the government wants to help professionals to establish themselves. We have adopted special measures which will prevent their being affected when exercising their professions. We are even thinking of plans to provide them with items they need such as vehicles, and other facilities. We are thinking of helping the producers, encouraging them and giving them facilities, as well as improving prices. We want to organize all of our economic policies toward promoting production and exports. The CIA says the contrary and LA PRENSA also says the contrary. [end recording]

EFFECTS OF EMBARGO ON TRANSPORTATION INDUSTRY

PA091830 Managua BARRICADA in Spanish 4 May 85 p 5

[Text] Managua (ANN) -- The Nicaraguan Airline (Aeronica) will increase its flights to Mexico, El Salvador, Costa Rica, and Panama to compensate for the suspension of its flights to the United States as a result of the U.S. trade embargo against Nicaragua that Washington announced 2 days ago.

An Aeronica spokesman explained that the airline will suffer heavy losses when it ceases to collect the substantial income derived from its passenger and cargo services to the United States.

Passengers traveling from Nicaragua to the United States will be obliged to transfer to other flights in Mexico City, the final destination of Aeronica's flights.

Meanwhile, Nicaraguan Transportation Minister Commander William Ramirez has said that the Nicaraguan transportation industry has been severely affected by the embargo because air and land transportation units use U.S.-made spare parts.

UN SECURITY COUNCIL CONTINUES EMBARGO DEBATE

PA101756 Managua Domestic Service in Spanish 0300 GMT 10 May 85

[Text] The isolation of the United States became evident today as the UN Security Council continued its debate on the resolution introduced by Nicaragua to protest the U.S. embargo against it. Almost all the representatives who participated in the debate, including those from Peru, France, China, the USSR, India, Cuba, Mexico, and Algeria, criticized the U.S. measure against the Nicaraguan Government and people and advocated the resumption of talks between Nicaragua and the United States at Manzanillo.

43 CONTRAS INCLUDING TASK FORCE CHIEF KILLED

PA091825 Managua EL NUEVO DIARIO in Spanish 7 May 85 p 1

[Communique issued by the Interior Ministry in Region 6 in Matagalpa on 6 May]

[Text] The Nicaraguan Interior Ministry in Region 6 reports that special forces of this ministry clashed with members of the "Juan Casco" Task Force on 8 April at Runflin, on the Honduran border. During the action 43 counterrevolutionaries were killed, including Matilde Cruz, also known as "The Yankee," leader of the "Felipe Cornejo" Task Force.

CASTRO ATTENDS RECEPTION AT NEW SOVIET EMBASSY

FL101041 Havana Domestic Service in Spanish 1000 GMT 10 May 85

[Text] Commander in Chief Fidel Castro has attended the reception held in Havana by USSR Ambassador Konstantin Katushev on the occasion of the 40th anniversary of fascism's defeat. Fidel toured the new offices of the Soviet Embassy accompanied by Katushev.

The high-level delegation of the Soviet party and government visiting Cuba, headed by Ivan Kalin, deputy chairman of the USSR Presidium of the Supreme Soviet, also participated in the tour of the embassy.

Others attending the Soviet Embassy reception were Army General Raul Castro, second secretary of the party and first vice president of the Councils of State and Ministers, and other Cuban officials.

SPANISH COMMUNIST PARTY'S IGLESIAS ENDS VISIT

Meets Jesus Montane

FL091810 Havana Television Service in Spanish 1700 GMT 9 May 85

[Text] Jesus Montane, alternate member of the Politburo and chief of the General Department of Foreign Relations of the Central Committee, has met with Gerardo Iglesias, secretary general of the Spanish Communist Party who is visiting our country in response to an invitation from Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba. During the meeting, the international situation and matters of interest to the two nations were discussed.

Meets Castro

FL101100 Havana Domestic Service in Spanish 1000 GMT 10 May 85

[Text] In Havana, Commander in Chief Fidel Castro, party first secretary, has received Gerardo Iglesias, secretary general of the Spanish Communist Party.

During the fraternal meeting, the two leaders discussed matters dealing with the Central American situation and other international issues as well as the economic crisis and the foreign debt problem. Other matters examined were peace efforts and the struggle against the arms race, which depletes enormous economic resources needed for solving the serious problems affecting the Third World and industrialized countries.

The development of the successful relations between the two parties and the need for recruiting into this struggle all democratic and progressive forces in the world were also taken up during the meeting.

The Spanish communist leader is paying a brief visit to Cuba in response to an invitation by our party first secretary.

Ends Visit, Departs

FL111212 Havana Domestic Service in Spanish 1000 GMT 11 May 85

[Text] Gerardo Iglesias, secretary general of the Spanish Communist Party has completed a visit of several days to Cuba, which he paid at the invitation of Commander in Chief Fidel Castro. Jaime Crombet, member of the Communist Party of Cuba Secretariat, was at the airport to bid the Spanish communist leader farewell.

Before leaving, Iglesias said he was very satisfied with the results of his conversations with Fidel and other Cuban leaders.

The secretary general of the Spanish Communist Party said that on this second visit of his to Cuba he observed such great advances in its economic and social life that he maintains his belief that this beloved country is an example for Latin American countries and other developing nations.

ALGERIAN PRESIDENT BENDJEDID ARRIVES IN HAVANA

FL102312 [Editorial Report] Havana Television Service in Spanish at 2157 GMT on 10 May begins live coverage from Havana's Jose Marti International Airport of Algerian President Chadli Bendjedid's arrival. The aircraft, an Air Algerie Boeing 747, is seen taxiing into the airport terminal.

Cuban President Fidel Castro, Politburo alternate member Velma Espin, and other unidentified persons are seen walking toward the aircraft ramp. At 2205 GMT, Algerian President Chadli Bendjedid walks down the ramp, at the foot of which he is met by his Cuban counterpart Fidel Castro. The two leaders embrace while members of both delegations shake hands.

The national anthems of Cuba and Algeria are played by the Army band as an artillery squad fires a 21-gun salute.

As Fidel Castro and Chadli Bendjedid take their positions for the official ceremony, the crowd on the tarmac cheer and chant slogans while waving Cuban and Algerian flags. The two heads of state review the honor guard and proceed to shake hands with Cuban party and government officials as well as members of the diplomatic corps accredited to Cuba. Among Cuban officials recognized are: Ramiro Valdez, Isidoro Malmierca, Armando Hart, Sergio del Valle, and Pedro Miret.

At 2222 GMT the Cuban and Algerian presidents, as well as members of their delegations, enter limousines and depart the airport. Coverage of welcoming ceremony ends.

Receives Decoration

FL111150 Havana Domestic Service in Spanish 1000 GMT 11 May 85

[Text] Commander in Chief Fidel Castro has decorated Algerian President Chadli Bendjedid with the Order of Jose Marti in a solemn ceremony held in Havana. Army General Raul Castro, second secretary of the party and first vice president of the Councils of State and Ministers, also attended the ceremony together with other party and Cuban Government leaders.

Speaking at the ceremony, Commander of the Revolution Ramiro Valdes said that the unity and brotherhood between Algeria and Cuba has deep roots in the same history of struggle against colonial domination and imperialism.

In reply, Bendjedid said the Cuban revolution has shown its people's love for liberty, justice, and national independence. The secretary general of the Algerian National Liberation Front Party is visiting Cuba in response to an invitation from Fidel, who met him upon his arrival.

CYPRIOT PRESIDENT SENDS MESSAGE OF FRIENDSHIP

FL111232 Havana Domestic Service in Spanish 1000 GMT 11 May 85

[Text] Cypriot President Spiridhon Kyprianou has sent a message of friendship to Fidel and thanked him for Cuban aid in the Mediterranean island's struggle for its independence and sovereignty.

Kyprianou made a speech in Nicosia during the ceremony of the presentation of credentials of the new Cuban ambassador to Cyprus, Guillermo Zurbitu Gomez. The Cypriot president described bilateral relations as constructive and positive, and said that Cuba is one of the firmest supporters of peace, liberty, and justice.

HAVANA ON WITHDRAWING 100 ADVISERS FROM NICARAGUA

FL091220 Havana Domestic Service in Spanish 1045 GMT 9 May 85

[Text] The return to Cuba of 100 military advisers who provided internationalist services to Nicaragua is a reiteration of our country's position of principles. This confirms once against Cuba's willingness to complete its international commitments and our people's inclination toward peace. Thus, the Cuban State has concretely manifested its support for the measures adopted by the Nicaraguan Government to arrange a political and negotiated solution to the Central American conflicts.

In sum, the return of the advisers represents support not only for Nicaragua, but also for the efforts of the Contadora Group in its attempt to prevent the current tensions from becoming a war spreading throughout the entire region.

With the return of these comrades from Nicaragua, the Cuban Government has fulfilled the second point of the statement it issued on 5 March of this year. In that statement, it said that if, subsequent to these efforts by Nicaragua and the withdrawal of the 100 military and security collaborators mentioned earlier, the U.S. Government continues its policy of waging dirty war and making threats of aggression against the Nicaraguan Government, Cuba will consider itself to be at liberty to take whatever decision it considers suitable if Nicaragua requests more military and security advisers, instructors, or teachers in addition to the ones remaining there.

The return to Cuba of these 100 internationalist military instructors is not the result of Washington's aggression, nor is it the result of the U.S. Congress' refusal to approve an appropriation of even more aid to the contra groups. It is linked even less to the archaic and absurd blockade imposed by Reagan on Nicaragua, because Cuba has shown that kind of action can be confronted and beaten.

Nevertheless, it is good to recall that while Washington insists on pursuing its aggressive policy, refuses to resolve the premises set forth in the Cuban Government's statement, and persists in the idea of liquidating the Sandinist government of Nicaragua and annihilating the last Salvadoran revolutionary, both of which are impossible, a solution to the Central American problems cannot be conceived.

SALVADORAN WORKERS DECLARE INDEFINITE STRIKE

PA080447 Havana International Service in Spanish 1600 GMT 7 May 85

[Excerpt] More than 10,000 employees of the Salvadoran Institute of Social Security and the National Administration of Water and Sewage Systems declared a strike for an indefinite period to demand higher salaries and the clarification of the whereabouts of several union leaders. This measure of force is to be added to the strike declared by 22,000 teachers, members of the National Association of Salvadoran Teachers, who resumed a work stoppage that they said will be extended until 8 May to demand various social improvements.

CARICOM MINISTERS SEEK OBSERVER STATUS AT UN

FL101216 Bonaire Trans World Radio in English 1130 GMT 10 May 85

[Text] Foreign ministers from 10 nations in the Caribbean community are meeting in St Kitts to discuss observer status for the group at the United Nations and economic ventures with their Spanish-speaking neighbor, Puerto Rico.

Bahamian Foreign Minister Clement Maynard is also calling on Caricom to fight drug trafficking and abuse. Caricom is a regional group established in 1973 to promote trade and economic cooperation. Its membership includes 13 English-speaking Caribbean nations.

Criticize U.S. Embargo

PA122306 Madrid EFE in Spanish 2010 GMT 12 May 85

[Text] Basseterre, St Christopher-Nevis, 2 May (EFE) -- The Caribbean community of 13 English-speaking nations (Caricom) today criticized in Basseterre the U.S. sanctions against Nicaragua and reiterated its support of the peace initiative of the Contadora countries.

In a surprising consensus, the Caricom ministers of foreign affairs declared that they were totally against the use of sanctions outside the UN organization.

Kennedy Simmonds, premier of St Christopher and Nevis, and chairman of the conference, said at the close of the conference that the United States should annul the sanctions against Nicaragua and any other measure that seeks to undermine the peace efforts of the Contadora Group in Central America.

The Caricom ministers also urged Guyana and Venezuela to resolve their territorial differences through peaceful means. They noted their concern over the continuous claims by Guatemala to Belize which, like Guyana, is also a Caricom member.

The decisions of the foreign ministers must be approved by the heads of government of the community, which will meet probably the first week of July in Barbados.

Among the critics who voiced their opposition to the measures against Nicaragua were Barbadian External Affairs Minister Louis Tull, who said that the Central American problems are not a consequence of the cold war between the East and the West. The problems of Central America are a legacy of many years of repression and social conditions in the region which are responsible for the present wave of disorders and violence, Tull remarked.

According to the Barbadian Government, the measures adopted by the United States against Nicaragua harm the innocent population of that Central American country.

TRINIDAD AND TOBAGO

STATISTICAL OFFICE REPORTS TRADE SURPLUS DOUBLES

FL101426 Bridgetown CANA in English 1835 GMT 10 May 85

[Text] Port-of-Spain, Trinidad, May 9, CANA -- Trinidad and Tobago doubled its visible trade surplus between February 1984 and the corresponding month this year, according to figures just published here by the Central Statistical Office. The CSO said the surplus in February this year reached TT150.9 million dollars (one TT: 41 cents U.S.), compared with TT175.8 million dollars for February 1984.